
TOWN of SANDWICH

THE OLDEST TOWN ON CAPE COD



community affordable housing plan

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Prepared by

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Table of Contents

		Page
I.	Executive Summary	1
	A. Introduction	1
	B. Goals and Objectives	1
	C. Summary of Housing Needs Assessment	2
	D. Summary of Planned Production Goals	4
	E. Summary of Housing Action Plan	4
	1. Planning and Regulatory Reform	5
	2. Strategies for Building Local Capacity	9
	3. Housing Production Strategies	14
	4. Housing Preservation Strategies	17
II.	Introduction	19
	A. Purpose of Project	20
	B. Goals and Objectives	21
	C. Definition of Affordable Housing	22
	E. Brief History of Housing in Sandwich	23
III.	Housing Needs Assessment	27
	A. Housing Characteristics	28
	1. Population and Housing Data	29
	2. Housing Market Conditions	34
	B. Cost Analysis of Existing Market Conditions	36
	C. Affordable Housing Inventory	38
	1. Current Inventory	40
	2. Proposed Projects	42
	D. Gaps Between Existing Needs and Current Supply	41
	E. Community Perspectives	45
	F. Local Housing Organizations	46
IV.	Property Inventory	48
	A. Publicly-owned Properties	48
	B. Private Properties	49
V.	Planned Production Goals	51
VI.	Housing Action Plan	54
	A. Planning and Regulatory Reform Strategies	55
	B. Strategies for Building Local Capacity	63
	C. Housing Production Strategies	71
	D. Housing Preservation Strategies	79
VII.	Description of Use Restrictions	82
	Attachments	
1.	Affordable Housing Inventory	79
2.	Map of Affordable Housing Inventory and Sites Potentially Appropriate for Affordable Housing	80
3.	Summaries of Housing Subsidy Programs	81

4.	Summary of Planned Production Program	88
5.	Summary of Housing Action Plan	91

TOWN OF SANDWICH COMMUNITY AFFORDABLE HOUSING PLAN

I. EXECUTIVE SUMMARY

A. Introduction

Incorporated in 1639, Sandwich is the oldest town on Cape Cod located on the northwest portion of the peninsula on both sides of the Cape Cod Canal. Sandwich is 57 miles southeast of Boston, a distance that many residents choose to commute. The community is mostly residential with a winter population that is somewhat smaller than the population during the summer season. According to the 2000 census, the town has a population of 20,136 residents and 8,748 housing units, 7,335 of which are occupied year-round. Most of the housing units, 88%, are detached single-family homes.

Sandwich has experienced greater growth in population and housing than any other community on Cape Cod, an area of intense development during the past decade. In this context of growth as well as outside pressures to create new housing through the comprehensive permit process, many residents believe that more local control over affordable housing development will more appropriately and effectively meet housing needs and maintain Sandwich's historic character. It is essential that Sandwich plan for this development as strategically as possible to best leverage the investment of its limited resources and guide new housing creation for the benefit of existing residents and future generations. This Community Affordable Housing Plan articulates a five-year course for affordable housing development.-

B. Goals and Objectives

There are two underlying goals for all of the recommendations in this Community Affordable Housing Plan:

- *To provide adequate and affordable housing for all residents in Sandwich along the full range of incomes, and*
- *To maximize local interest and investment in affordable housing.*

These two goals were based on the understanding that the Town should promote affordable housing to satisfy the full range of local needs – not just to satisfy the 10% Chapter 40B standard – and that it is important for local residents to understand this commitment and, to the greatest extent possible, be involved.

In addition to these goals, the Community Housing Plan Committee agreed that a range of objectives would serve as the basis for the recommended strategies included in the Community Affordable Housing Plan:

- To provide a wide range of housing alternatives to meet diverse housing needs,
- To preserve the existing affordable housing stock,
- To leverage other public and private resources in the preservation and production of affordable housing to the greatest extent possible,
- To insure that new housing creation is harmonious with the existing community,

- To promote diversity and the stability of individuals and families living in Sandwich,
- To implement housing strategies in a deliberate over a ten year period to attenuate impacts,
- To encourage the integration of smart growth principles in the development of housing, and
- To insure that the Town of Sandwich is an active partner in the development of affordable housing.

C. Summary of Housing Needs Assessment

In April 2002, the Town of Sandwich issued a notice for firms or individuals to research, document and develop updates to the Town's Housing Needs Assessment, completed in 1997, and the Housing Action Plan, completed in 1998. During the following month the Housing Consultant, Karen Sunnarborg, was selected to undertake this work.

It was determined that the analysis of 2000 U.S. Census Bureau data on household income and other demographics would be pivotal to enabling the Town to obtain a better grasp of what residents can afford with respect to housing and what special housing needs they might require. In turn the housing market data reflected current housing prices and types of housing available, indicating what gaps exist between residents' needs and the existing supply. To support this work other housing reports, studies and plans were incorporated into the analysis as well as interviews with key local leaders and real estate professionals to obtain their input on the challenges and opportunities for affordable housing preservation and production in Sandwich.

The Housing Needs Assessment was further updated in 2003 to reflect more current market data and to secure more community input from local residents and real estate professionals through community meetings and interviews. Some of the major findings and conclusions regarding the range of housing needs that evolved from this research and outreach are illustrated by the following statistics on household characteristics, housing characteristics and housing affordability:

Household Characteristics

- The median household income in 2000 was \$61,250, up 41% from the 1990 median income of \$43,500, documenting the increasing affluence of the area.
- The income distribution for those households that include children – families – is somewhat higher with a median family income of \$66,553; and there were 2,264 families, almost 41%, earning more than \$75,000, including 7.5% earning more than \$150,000.
- There were 611 individuals and 120 families that were classified as living in poverty including 109 elderly individuals.
- While poverty has seemingly decreased from 1990 to 2000 based on census information, an impoverished population remains within the Town of Sandwich requiring public assistance to meet their housing needs. It is useful to consider whether the decrease in poverty level is a result of households improving their standard of living or being forced to move elsewhere in search of a more affordable living environment.
- About one-third of the population moved to their current home within the last five years, indicating significant mobility.

- More than 2,400 individuals claimed a disability that prevented them from working and almost 900 of whom were 65 years of age or older.

Housing Characteristics

- Housing creation has been intense with more than three-quarters of the housing stock built since 1970.
- The predominant housing type in the Town of Sandwich is a fairly new and moderately sized, single-family detached structure, which is increasingly becoming less affordable as housing values soar.
- Rental apartments are scarce and most multi-family housing is available through the Sandwich Housing Authority or other subsidized developments.
- As town residents on a whole are becoming more affluent based on census income data, a household with the median income of \$61,250 is discovering that it is difficult to find adequate housing that is affordable at market prices.
- Waterfront rentals are getting up to \$3,500 per week in the summer season, and modest two-bedroom rentals located a couple blocks from the beach are priced at about \$950 per week.
- It is impossible to find very small rentals such as a studio or efficiency, with the exception of illegal apartments.

Housing Affordability

- Recent home sales indicate that there were no sales at or below \$164,000, the highest affordable sales price for households earning within 80% of area median income based on HUD's figures, indicating that these households are virtually shutout of the current homeownership market.
- The affordability gap is about \$110,000 - the difference between the price of the median priced home of \$320,000 and what a median income household can afford or \$210,000.
- The affordability gap increases to approximately \$156,000 when calculating the difference between the median market price and what a moderate-income household can afford earning at or below 80% of area median income.
- To afford the rent at the lowest end of the range, \$1,200, would require an income of \$45,000, suggesting that households earning at 80% of the median income could afford to rent at the lowest end of the rental market based on realtors' listings.
- The Sandwich Housing Authority has a huge waiting list of almost 1,000 applicants with three to five year waits for available units.

There are 271 affordable housing units in the current state-approved Affordable Housing Inventory including recently approved developments, representing 3.6% of the town's year-round housing stock, based on current DHCD numbers. Another 80 new affordable units are in the pipeline, bringing the projected total to 351 units or 4.6% of the year-round housing stock, once again based on the current DHCD number of 7,574 year-round units. Taking housing growth into consideration, including new building permits and recently approved affordable housing developments, a total of approximately 8,000 year-round housing units has been created, leaving a gap to reach the state 10% threshold of about 450 units, assuming all pipeline projects reach completion. Based on the build-out analysis that was completed by the Town, another 2,000 residential units are likely to be produced into the future under current zoning for a total of about 10,000 units, widening the gap into the future to approximately 650 units. Therefore,

approximately one-third of the 2000 additional units projected for build-out must be made affordable if the town is to meet the state's 10% affordable housing goal. *However, these new affordable units will not meet the existing need and demand, much less potential future needs.*

D. Summary of Planned Production Program Goals

As part of its Planned Production Program, Sandwich has projected affordable housing development over the next ten years that will create at least the equivalent of .75% of the year-round housing stock in one year or 1.5% over two years. These production targets are based on the above goals and objectives and the actions that are described in Section VI – the Housing Action Plan. In compiling these projections, Sandwich has made a number of assumptions concerning future development including:

- At least fifty percent (50%) of the units that are developed on Town-owned parcels will be affordable to households earning at or below 80% of area median income and at least 10% affordable to those earning up to 120% or 150% of area median income, depending on project feasibility.
- Unit projections are responsive to nitrogen sensitive areas that restrict density to no more than four (4) units per acre unless water treatment facilities are built on site, an expensive proposition that restricts feasibility of smaller sites. In other areas the projected number of units are based on eight (8) units per acre.
- Because many of the sites identified for development are privately owned, production will involve projects sponsored by private developers through the “friendly” comprehensive permit process or the recently amended Affordable Housing Conditional Density bylaw. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests.
- The projections involve a mix of rental and ownership opportunities, targeting rental development closer to commercial centers and homeownership towards the more outlying areas. The Town will work with private developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals to offer a wider range of housing options for residents.

The Planned Production Program goals are detailed under Section V. and in a summary table as Attachment 4.

E. Summary of Housing Action Plan

The strategies outlined below are based on the context established by the Housing Needs Assessment, recent interviews with local planning and real estate professionals, previous planning studies, community outreach and the experience of other comparable localities on Cape Cod and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Planning and Regulatory Reform, Building Local Capacity, Housing Production and Housing Preservation – and timeframe for implementation – Two-Year and Five-Year Action Plans. Two-Year actions refer to those that can be introduced within the next two years, some to begin immediately, while those that are identified as Five-Year actions can be considered for implementation in the longer-term. These actions are tools that the Town will have available to promote the creation of new housing opportunities, each to be applied to particular circumstances

and providing a powerful group of resources when available in combination. A summary of these actions is included as Attachment 5.

1. Planning and Regulatory Reform

The Town of Sandwich is making considerable progress in the area of planning and regulatory reform as evidenced by the following recent achievements:

- *Historic Preservation Plan*
Through a partial grant from the National Park Service, U.S. Department of the Interior, and the Massachusetts Historical Commission, the Town of Sandwich commissioned a Historic Preservation Plan that was completed in June 2002. The Plan, prepared by Neil Larson & Associates, provides a wealth of information on Sandwich’s historic needs and resources as well as a series of goals, objectives and action plans to preserve these important resources. Major goals are to increase public awareness of and support for Sandwich’s historic resources, to increase preservation and documentation activities, to protect the historic character of Sandwich, and to strengthen heritage tourism activities. The action having the greatest relevancy to affordable housing issues includes the continued need to respect the scale, style and materials of historic homes, even in new development, to preserve the historic character of the town. Although not directly referenced in the Plan, there may be some future opportunities to redevelop historic properties into affordable or mixed-income housing as well.

- *Affordable Housing Conditional Density Development*
In May of 2003, Sandwich Town Meeting approved an Affordable Housing Conditional Density Development Bylaw that revised a previous zoning bylaw that was never used because it was complicated and did not offer adequate incentives. This new amendment simplifies the Town’s Zoning Bylaw by providing requirements for increased density (units per acre) based on the percentage of affordable units and type of housing as follows:

Homeownership	
4 units per acre	100% affordable units
2 units per acre	50% affordable units
Rental/1 bedroom units or units deed restricted to age 55 and older	
8 units per acre	50% affordable units
Rental/2 bedroom units	
4 units per acre	50% affordable units

- *Property Inventory*
The Sandwich Local Housing Committee has prepared an inventory of potential development sites for affordable housing that is summarized in Section IV.A and B and mapped in Attachment 2.

- *Executive Order 418 Housing Certification*
In 2001 the State enacted Executive Order 418 to help communities plan for new housing opportunities for individuals and families across a broad

range of incomes while balancing activities related to economic development, transportation, infrastructure improvements and open space preservation. This Executive Order has two parts – 1.) Provide technical assistance grants for planning and 2.) Establish a Housing Certification process. Housing Certification prescribes a range of housing-related activities towards which communities must demonstrate significant progress to obtain priority when applying for various state discretionary programs administered by the Executive Office of Transportation and Construction, Executive Office of Environmental Affairs, Department of Housing and Community Development, and the Department of Economic Development. Those communities that secure Housing Certification will receive a 10% scoring bonus when applying for these grant programs. Additionally, communities that have not attained Housing Certification are not eligible to receive some discretionary grant funds administered by the four agencies that are non-competitive, not scored, and/or are accepted on a rolling basis. The bottom-line is that communities that do not have Housing Certification will be significantly disadvantaged when applying for state funding. Sandwich has applied and received Housing Certification, putting it in a good position regarding possible future state funding opportunities.

- *Infrastructure Planning*
The Planning Office has been working with the Water District to reconcile the build out analysis and coordinate planning to the greatest extent possible. This is a particularly important issue for housing, or any development for that matter, as planning for adequate water supply allows reasonable development for new housing.

In addition to the above activities, the following strategies would serve as important tools to support affordable housing development:

Evaluate Existing Zoning Bylaw to Assess the Need for Rezoning *Two-Year Plan*

Throughout the United States zoning is the greatest constraint to affordable housing development and this is also the case in Sandwich. With minimum lot sizes ranging from 40,000 to 60,000 square feet in residential districts, housing becomes expensive given the high costs of land. Additionally, there are no areas where multi-family housing can be built as-of-right, and even the construction of a two-family house requires a special permit and is excluded from some residential districts. Sandwich should continue to revise or insert a number of affordable housing tools into the Protective Zoning Bylaw to make affordable housing feasible within reasonable development constraints.

The Town has engaged a consultant to write a mixed-use, higher density zoning by-law for the town's two major commercial zones. Density is somewhat constrained by the lack of infrastructure, sewer service in particular.

Zoning changes that might be considered include adapting Provincetown's Growth Management Zoning Bylaw, allowing additional structures to be built on a single lot if those accessory structures are to be used for affordable housing (such as Wellfleet's), allowing nonconforming lots that do not meet minimum lot

requirements to be merged with adjacent lots and built upon by special permit from the Planning Board if they meet a number of conditions including the inclusion of deed restricted, affordable housing (such as Dennis'), among others.

The Town should continue to work to facilitate a process of reviewing the Zoning Bylaw and to advise the Planning Board, Local Housing Committee and other Town officials on useful amendments that will help support the growth of commercial areas and promote housing. The consultant should draft the appropriate amendments that will require approval by the Planning Board, Board of Selectmen and Town Meeting.

Adopt Inclusionary Zoning

Two-Year Plan

Inclusionary zoning is not included in Sandwich's Protective Zoning Bylaw. This mechanism has been adopted by many communities to insure that any new development project over a certain size would include a set-aside in numbers of affordable units or funding to support the creation of affordable housing. Most municipalities that have inclusionary zoning in place, one-third of the municipalities in the Commonwealth, are reaping the rewards of these actions through the creation of actual affordable units or cash contributions to the locality for investment in affordable housing production.

The Local Housing Committee should review successful models for inclusionary zoning and determine how best to adapt it in Sandwich. Once a recommendation is prepared, the zoning amendment would have to be reviewed and approved by the Planning Board, Board of Selectmen and then submitted for vote by Town Meeting

Establish an Amnesty Program for Accessory Apartments

Two-Year Plan

During the April 5th Community Meeting on the Community Affordable Housing Plan, participants voiced significant support for promoting accessory apartments, particularly apartments that would create affordable housing and be counted under the state-defined Affordable Housing Inventory. There was particular interest in the model program that the Town of Barnstable has implemented to enable those with illegal accessory units to come forward and receive necessary assistance to convert their accessory units to legal use and be maintained, in the short-term at least, as affordable. This overall support was in light of a recognized number of illegal accessory apartments that some estimate to be approximately 100, which may have health and safety code violations. Barnstable has also legalized the creation of new accessory apartments as additions to existing homes or as separate buildings on site.

The Town should consider adopting an amnesty period like the model implemented by the Town of Barnstable. Barnstable has processed more than 60 units through its program. The Director of Planning & Development in conjunction with the Local Housing Committee should adapt Barnstable's Amnesty Program for Sandwich and develop an implementation plan.

Amend the Accessory Dwelling Zoning Bylaw

Five-Year Plan

The current Accessory Dwelling Zoning Bylaw (Section 4130 of the Zoning Bylaw), while creating approximately 30 units of rental housing for moderate income households, does not create units for those at 80% or less of the median income. An amendment was presented before Town Meeting in May of 2003 and was unfortunately not approved. The current bylaw allows accessory units only by special permit on lots of more than 40,000 square feet. These units cannot be larger than 1,000 square feet and must have at least two off-street parking spaces. Additionally, the Sandwich Housing Authority must approve all occupants for compliance with income limits – occupants must have incomes at or below 80% of area median income to qualify as low-income and between 80% and 120% of area median income to qualify as moderate-income. However, in order for the Town to obtain credit for these units as part of its Affordable Housing Inventory, the Housing Authority will also have to execute deed restrictions with the owners and certify the income and rents of the occupants of accessory units on an annual basis.

The proposed amendment tied the approval of the special permit to the execution of a permanent affordable housing restriction in a form acceptable to the Planning Board. It also included a requirement that units be affordable to households with income at or below 70% of area median income. The amendment decreased the required minimum lot size from 40,000 to 30,000 square feet and required that unit sizes be no larger than 600 square feet and contain no more than two bedrooms.

At some point in the future, the Local Housing Committee and Planning Board should revisit this issue and revise its strategy for securing community support for reforming the accessory apartment bylaw that would increase its applicability in creating additional units of affordable housing that would meet local needs and increase the Town's Affordable Housing Inventory.

Explore Development of a Foreclosure Alert System

Two-Year Plan

There are a number of municipalities in the Commonwealth that acquire properties, including land and buildings, for development of affordable housing by the tax foreclosure process. Through a series of required notices to owners who are delinquent on their taxes and additional processing through the state's Land Court, municipalities can obtain title to these properties and choose to convey them via auction or special redevelopment initiatives. Some localities have prepared Requests for Proposals to select developers who obtain ownership at some nominal or discounted value, improve the properties and lease or sell them to low- or moderate-income households. These projects incorporate the necessary requirements so that units can be integrated into the Town's state-defined Affordable Housing Inventory. For example, the Town of Bourne acquired a number of properties through tax title and conveyed one to Habitat for Humanity and the others to the Bourne Housing Authority for development of new homes for first-time homebuyers, coordinated by the Bourne Housing Partnership. There is also the potential of working with banks and other mortgage providers to identify properties on which they have had to resort to foreclosure procedures and acquire these at some discounted cost for which the lender can receive credit through the Community Reinvestment Act.

Given the high level of property values and relative affluence in Sandwich, it is unlikely that much foreclosure activity exists, however, it would be useful for the Local Housing Committee to work cooperatively with the Town of Sandwich's Tax Collector and Town Counsel as well as area banks to identify possible properties that involve foreclosures, monitor progress through the tax title process, acquire such properties, and convert them to long-term affordability.

Create a Road Taking Program to Develop Landlocked Parcels for Affordable Housing

Two-Year Plan

There are a number of Town-owned parcels that are landlocked and cannot be developed without proper access. The Local Housing Committee should work with the Board of Selectmen to explore options to create access to Town-owned landlocked parcels and if necessary resort to takings by eminent domain. Such action shall only be proposed where no undue burden or hardship on the owner(s) of the land proposed for taking and where such road construction does not negatively impact the character of the neighborhood. The Local Housing Committee has recommended that these takings occur only if the parcels would be targeted for affordable housing and the units can be integrated into the state-defined Affordable Housing Inventory for Sandwich.

Advocate for Reform of Chapter 40B Requirements

Two-Year Plan

There have been numerous debates and state hearings on Chapter 40B reform. During the past year a Task Force appointed by the Governor was asked to make recommendations regarding changes to the Chapter 40B comprehensive permit requirements, and in October 2003, the Joint Committee on Housing and Urban Development came up with another set of recommendations to modify Chapter 40B. More than sixty additional bills have been proposed before the State Legislature to change 40B. Interested residents and local leaders should continue to advocate through State legislators for legislative action to refine Chapter 40B requirements that will be supportive of Sandwich's interests.

Explore Property Tax Exemption for Affordable Year-Round Rental Housing

Five-Year Plan

The Housing Needs Assessment included in this Community Affordable Housing Plan indicates a critical need for additional rental housing. Provincetown, recognizing a similar shortage, approved a property tax exemption for affordable year-round rental units. This home rule petition required state approval and was signed by Acting Governor Jane Swift in December 2002. The tax exemption will be made available to owners of housing units that are rented on a year-round basis to low-income households at rents (including utilities) not exceeding HUD limits. The Town has identified more than 40 units that are likely taking advantage of the program.

The Local Housing Committee should explore with local officials the prospects of adapting the Provincetown tax exemption in Sandwich and try to gauge the level of local support. If substantial support for such an action is demonstrated, the Town should take the necessary steps to obtain the required Town Meeting and state approvals and then make the exemption available.

2. Strategies for Building Local Capacity to Promote Affordable Housing

Access HOME Program Funding

Two-Year Plan

Sandwich has received funding from the Barnstable County HOME Consortium to support two projects – Osprey Lane and Woodside Village – to enhance their affordability. All towns participating in the Consortium, including Sandwich, are eligible for this very flexible source of subsidy to support a wide variety of housing activities. Through the new initiatives suggested in the actions included under Section V.C. – Housing Production, apply for funding through the HOME Program to subsidize project costs.

Obtain Local Approval for the Community Preservation Act (CPA)

Two-Year Plan

During the April 5, 2003 Community Meeting to discuss this Community Affordable Housing Plan, there was significant support for the town to approve the development of a Community Preservation Fund pursuant to the state's Community Preservation Act (CPA). The Community Preservation Act establishes the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of 1% to 3% of the property tax, to be matched by the state based on a funding commitment of approximately \$26 million annually. Once adopted the Act requires at least 10% of the monies raised to be distributed to each of three categories – open space, historic preservation and affordable housing – allowing flexibility in distributing the majority of the money to any of the three uses as determined by the community. Many towns in the Commonwealth are benefiting from this important new resource that could be pivotal to Sandwich preserving its rich history, environmentally sensitive open space and housing affordability.

The Town should establish a Committee to explore this strategy comprised of members from a variety of Town boards and committees and local organizations, chaired by a member of the Board of Selectmen.

Make Publicly-Owned Property Available for Affordable Housing

Two-Year Plan

The Local Housing Committee should make a recommendation to the Board of Selectmen on the conveyance of Town-owned parcels for development of affordable housing. In addition to sites that have been discussed as appropriate for affordable housing as listed in Section IV.A., the Local Housing Committee should work with the Board of Selectmen and Open Space Committee to secure appropriate portions of open space parcels for affordable housing as well. Additionally, the Local Housing Committee should pursue discussions with state officials on the prospects of developing some amount of affordable housing on the state-owned Harlow Road parcel.

As Town-owned parcels are made available for affordable housing, the Director of Planning and Development should coordinate the drafting of a Request for Proposals (RFP's) that includes the criteria established by the Town for the development of this parcel, such as rental vs. homeownership, density, design guidelines, level of affordability, community preference criteria, etc., and select a builder/developer to undertake the project under Town supervision. Additional

properties can be conveyed through a similar process over at least the next decade. If the Town acquires additional property, such as through tax foreclosure, consideration should be made for conveyance towards affordable housing or some combination of appropriate uses.

Establish a Local Non-profit Housing Organization

Two-Year Plan

The Sandwich Housing Committee was established in February of 2000 and is in the process of creating a tax-exempt, non-profit organization, called the Sandwich Housing Corporation, Inc., that will have a variety of powers including the ability to raise resources, both public and private, for affordable housing development and acquire and sell property. The organization has formally filed its Articles of Organization with the Secretary of the Commonwealth's Office and received its non-profit status on July 16, 2003. The organization is now preparing its application to the U.S. Internal Revenue Service to obtain 501(c)(3) tax-exempt status.

The Sandwich Housing Corp. could serve as an effective broker for housing resources, act as an articulate advocate for affordable housing in town, oversee local fund raising activities for housing such as an annual appeal, coordinate public outreach and educational activities related to affordable housing, and joint venture with a non-profit or for profit developer on local affordable housing projects.

Establish an Affordable Housing Fund

Two-Year Plan

Many communities have established Affordable Housing Funds to collect and manage funds that are dedicated to affordable housing. There is no such fund currently in place in Sandwich, however, this Affordable Housing Fund could be created and managed by the Town as a "gift account" with specifications on the purpose or use of the funds and dedicated exclusively to promoting affordable housing. The Fund would include resources raised through inclusionary zoning, negotiations with developers of residential or commercial projects over a certain size, public resources and private donations. Examples of private donations include donated land, donations from an annual appeal to community residents, and annual requests for donations from local banks and other institutions.

The Town of Sandwich, with support from the Town Counsel, must establish the Fund, how it will be administered and criteria for its use. The Town might confer with other communities that manage such accounts to determine how best to operate the Fund both fiscally and programmatically.

Fund an Assistant Planner Position

Two-Year Plan

If the Town of Sandwich wants to assume a more proactive role in promoting affordable housing and effectively implement the range of actions included in this Community Affordable Housing Plan, it will have to augment its capacity to coordinate these activities. While most of the strategies that are included in this Plan do not by themselves involve substantial amounts of staff time from the Department of Planning and Development, when considered altogether they require a significantly increased time commitment on the part of the Director of

Planning and Development who at present is working more than a full-time schedule.

If the Town approves this Plan, it will have to accept additional costs for overseeing its implementation. Adding an Assistant Planner to the Department of Planning and Development will provide the essential support that the Town will need to insure the efficient and effective coordination of the basic activities required to implement this Community Affordable Housing Plan.

Explore Expanded Sandwich Housing Authority Activity
Two-Year Plan

The Town should explore the possibility of having the Sandwich Housing Authority take over the management of the eight vacant cottages that are more isolated from the recreational uses associated with the Peters Pond property that was acquired by the Town. The Local Housing Committee and the Peters Pond Property Committee should work cooperatively to appropriately plan for the redevelopment of this property, encouraging the renovation of at least some of the cottages into affordable rental housing to be owned and managed by the Sandwich Housing Authority.

Following the departure of the Executive Director of the Sandwich Housing Authority last year, the Executive Director of the Barnstable Housing Authority, who has been overseeing both agencies simultaneously, has managed the agency in an acting capacity. Additional SHA units will provide more administrative funding and create increased demands on the Executive Director, potentially creating the need for a full-time position at some time.

Conduct Educational Campaign on Affordable Housing
Two-Year Plan

During the Community Meeting on this Affordable Housing Plan, which took place on April 5, 2003, there appeared to be a consensus on the need for significant community outreach on the issue of affordable housing. This outreach would focus on activities to better inform local residents on the benefits associated with the development of affordable housing and to increase local support, both political and financial, for housing production.

A Draft Plan for Community Education was completed in June of 2002 by members of the Local Housing Committee and represents a good starting place on which to build a community outreach and education campaign. Moreover, the presentation of this Community Affordable Housing Plan offers an opportunity to showcase the issue, offering information on housing needs and proposed strategies to build community support for affordable housing initiatives. At a minimum, however, it will be necessary for local leaders, including members of the Board of Selectmen, Local Housing Committee, Housing Authority, Sandwich Housing Corp. and other housing-related Town boards and committees to become directly involved in various activities to reach out to community residents on the issue of affordable housing.

Sponsor Trainings for Real Estate Professionals
Two-Year Plan

Previous plans have recommended educating real estate professionals (e.g., real estate brokers, builders, developers, bankers, appropriate Town board and committee representatives) on the availability of affordable housing resources to promote a better understanding of development opportunities and attract greater private sector participation in the creation of affordable housing. A recommendation from the April 5th Community Meeting on this Affordable Housing Plan focused on the need for some clearinghouse with information on affordable housing resources. There have also been comments related to the need for supportive information on regulations and opportunities for affordable housing development directed to new Town board or committee members who have significant input into future development such as the Local Housing Committee, Planning Board and Zoning Board of Appeals.

The Local Housing Committee should make sure that resource materials are made available to all local real estate brokers, mortgage lenders, local developers and builders, and key staff and board/committee members. For example, Citizens Housing and Planning Association (CHAPA) has prepared a very clear and comprehensive guidebook on local affordable housing strategies and resources entitled, Taking the Initiative: A Guidebook on Creating Local Affordable Housing Strategies.¹ This resource was prepared last year with funding from the Massachusetts Housing Partnership Fund. The Local Housing Committee should acquire copies from CHAPA and distribute the book to key individuals, organizations, and institutions – making sure that copies are also available in libraries, schools, Selectmen’s Office and the Planning & Development Office. It may also be instructive to sponsor orientation sessions for new Town board and committee members with a component on affordable housing and related regulations. Better informed committee members are more likely to make more judicious decisions and demonstrate greater control in meetings, particularly meetings involving the public over highly charged development proposals.

Improve Town Communication on Affordable Housing *Two-Year Plan*

In the past, communication between the Board of Selectmen and Local Housing Committee has not been formalized, which has not provided an adequate channel for updating the Selectmen on housing issues and obtaining important feedback. In light of the planning process that has been conducted over the past year and based on future expectations of increased Town-approved affordable housing activities, it is advisable that the Board of Selectmen meet with the Local Housing Committee at least two times per year to discuss needs and current issues with respect to affordable housing. Additionally, the Local Housing Committee should prepare an annual report to the Board of Selectmen on progress made towards implementing this Community Affordable Housing Plan.

Use of Land Bank Funds to Support Affordable Housing *Five-Year Plan*

The State Legislature approved the Town of Provincetown’s petition, passed on April 7, 2003 Special Town Meeting, to increase from 10% to 35% the share of

¹ CHAPA (principal author is Bonnie Heudorfer), Taking the Initiative: A Guidebook on Creating Local Affordable Housing Strategies, November 2002.

Land Bank funds that the town could use in support of affordable housing, allowing Provincetown voters more choice on how to spend their Land Bank's 3% property tax surcharge. This increased funding came with the stipulation that the funds be targeted towards the reuse and renovation of existing structures. This approval was consistent with the recognition that redevelopment of existing properties will have the least impact on infrastructure and open space. The Town of Truro passed a similar increase in Land Bank funding for affordable housing. The Local Housing Committee should obtain copies of Provincetown and Truro's warrant articles for Town Meeting to adapt their petitions to the Town of Sandwich.

3. Housing Production Strategies

New housing production, especially affordable housing development, is important to Sandwich not only in order to meet the 10% state standard in the Chapter 40B regulations and Planned Production goals, but to meet pressing local housing needs as well. Based on the build-out analysis that was completed by the Town, approximately one-third of all new housing units produced, or about 650 of the 2000 additional units projected for build-out, must be made affordable if the town is to meet the state's 10% affordable housing goal. If this is even possible, it is unlikely that the affordable housing that is produced will be sufficient to meet existing need and demand, much less future needs.

With modifications to the existing Zoning Bylaw, greater flexibility can be created that would enable more focused new development in business centers, along transportation and commercial corridors through mixed uses to avoid environmentally sensitive areas while maintaining the small village and historic character of Sandwich – by promoting “smart growth” objectives. More scattered approaches to new development can be achieved as well through accessory apartments, purchase or rehabilitation of existing structures, and adaptive re-use. Additionally, it will be important to create mixed-income developments, extending housing opportunities to those households earning up to 150% of area median income (\$84,750) who are also priced out of the current housing market.

Recent changes to Chapter 40B allow communities to reject comprehensive permit applications if the Town has a state-approved affordable housing plan in place and is making progress towards its production goals of at least .75% new units produced per year, referred to as a Planned Production Program. These guidelines suggest that Town-sponsored development of approximately 60 units per year, including “friendly Chapter 40B developments and other supported development projects, would enable the Town to reject new comprehensive permit applications. Recommendations from the Governors' Chapter 40B Task Force and the Joint Committee on Housing and Urban Development of the state Legislature include a reduction of this Planned Production Program requirement to .5% of the existing year-round housing stock per year, reducing the annual production goals to 38 units.

In order to meet the range of local housing needs and maintain better control over affordable housing development, the Town of Sandwich should support the production of at least 60 new units annually, an extremely ambitious task that will take considerable resources. It is essential that the Town plan for this development as strategically as possible to best leverage the investment of its

limited resources and guide new development for the benefit of existing residents and future generations.

Increase the Supply of Affordable Rental Housing

Begin Project Development Within Two-Year Plan

Implement Under Five-Year Plan

Ongoing Progress Through the Long-Term

The Town of Sandwich has a substantial need for rental housing based on the data from the Housing Needs Assessment. It is making some progress through the Sandwich Housing Authority and Chapter 40B comprehensive permit projects. More rental housing is required. The Local Comprehensive Plan stated that the Town should “promote equal opportunity in housing and give special consideration to meeting the housing needs of the most vulnerable segments of the town’s population”.

The Local Housing Committee has identified Town-owned parcels for potential development as rental housing and when made available should issue a Request for Proposals based on the Town’s specific project requirements to solicit interest from developers. The project should be conceived to utilize the Affordable Housing Conditional Density Development Bylaw to allow for greater density for affordable housing development or apply the “friendly” comprehensive permit process. Additionally, the Local Housing Committee needs to pull together the necessary financial, technical and political support for new development.

Increase Homeownership Opportunities for First-time Homebuyers

Begin Project Development Within Two-Year Plan

Implement Under Five-Year Plan

Ongoing Progress Through the Long-Term

In addition to rental housing, there remains a need and demand for new homeownership opportunities to income-eligible, first-time homebuyers. Many towns are implementing such initiatives, most donating Town-owned property for development, with an interest in maximizing the number of purchasers with a connection to the locality through current or past residency and employment, typically up to 70%.

The Local Housing Committee has identified Town-owned parcels for potential new homes development and when made available should issue a Request for Proposals to solicit interest from developers based on the Town’s specific project requirements. Additionally, the Local Housing Committee needs to either apply the Affordable Housing Conditional Density Development Bylaw to allow for greater density for affordable housing development or apply the “friendly” comprehensive permit process to make new housing development feasible. It will also be necessary to look to public, private and non-profit partners to pull together the necessary financial, technical and political support for increased development. Deed riders to maintain long-term affordability should be executed for as long a period as possible (in perpetuity) and with resale restrictions indexed to changes in HUD’s area median income instead of market values.

Convert Existing Housing Stock for Affordable Rental and For Sale

Housing Begin Project Development Within Two-Year Plan

Implement Under Five-Year Plan

Ongoing Progress Through the Long-Term

While housing acquisition prices are high, some of the smaller houses or condominiums in town could be purchased, subsidized as affordable and leased or sold to low- and moderate-income households. Larger properties could also be candidates for acquisition and rehab, to be managed as rental property or developed as mixed-income or affordable condominiums. The Town should consider working with for profit or non-profit developers to identify existing properties for conversion to affordable housing.

Promote Adaptive Re-use of Existing Structures

Five-Year Plan

The Town should identify underutilized nonresidential properties, including any historic buildings, for conversion to affordable housing through various options such as Single Room Occupancy Units (SRO's), congregate and/or special needs housing, rental housing and first-time homeownership. Depending upon the structure, adaptive re-use can be amenable to mixed-use and mixed-income development.

The Local Housing Committee should identify an inventory of such properties that might be purchased, rehabilitated and converted to residential use and then attract interested for profit or non-profit developers to undertake development.

Create Affordable Living Options for Seniors

Five-Year Plan

Barnstable County, including Sandwich, has a significant elderly population including those with disabilities. These residents often experience difficulties aging in place and require alternative living options, some of which might offer supportive services. The only assisted living development in town, Decatur House, is not affordable to most of the aging population, costing in the \$4,000 to \$5,000 range per month for a small suite of rooms. By providing increased options for seniors – through over 55 communities, assisted living, mixed-income or affordable condominiums, etc. – it would help fill the needs of those who are looking to down-size but do not meet the income requirements of projects directed to lower incomes, such as Shawme Heights or Sandwich Housing Authority units. Additionally, new housing for seniors would not put additional burdens on public schools.

The Local Housing Committee should look at how other communities are addressing this problem and how an assisted living project and over 55 project, also known as senior residential developments, with at least some units set-aside as affordable, can be developed to meet local needs.

Continue to Work with Developers on Fine-tuning Comprehensive Permit Projects

Two-Year Plan

The Director of Planning and Development has been an effective conduit for the processing of comprehensive permit applications. In this role the Director has met with applicants in the early stages of project development to review their proposals, identify potential problems, and in many cases, to obtain important revisions that better adapt the proposals to the best interests of the community.

This Community Affordable Housing Plan includes the Planned Production Program that will require stepped-up efforts to produce affordable housing. It is hoped that the new Affordable Housing Conditional Density Development Bylaw will spur new development of affordable housing based on local criteria, but it is also likely that the comprehensive permit process will continue to be used as a regulatory vehicle for new affordable housing production. The Director of Planning and Development's continued role in guiding these projects towards more acceptable and effective outcomes will be pivotal.

Continue to make this a key responsibility of the Director of Planning and Development, providing the department with necessary staff support. The Local Housing Committee and the Sandwich Housing Corp. should provide support, exploring opportunities to increase affordable units through the "friendly" 40B alternative. These groups working with the Director of Planning and Development can help negotiate projects with developers to realize new development that will benefit the town by incorporating more appropriate scale, better design, improved amenities, and sensitivity to the natural landscape and environment.

4. **Housing Preservation Strategies**

Housing production is critical, but the Town also needs to be concerned that it does not lose units already counted as part of its Affordable Housing Inventory and provides resources to improve the existing housing supply.

Provide Low-income Existing Homeowners with Assistance

Two-Year Plan

The HUD Consolidated Plan for Barnstable County indicated that there are significant numbers of existing homeowners who lack the resources to make critical home improvements and invest in energy-saving repairs to reduce costs. Representatives from the Council on Aging also mentioned that they encounter elders who need assistance in addressing deferred home maintenance needs. It is not unusual for elderly homeowners on fixed incomes to have such needs, stretching their limited funds to pay taxes, utilities and remain in their homes. The Plan states "the area's low wages, increases in taxes and sizable elderly population all contribute to this serious housing problem for existing owners". Through the training and community educational campaign recommended in Section III.A.4 and 5., important information on housing improvement resources could be disseminated, both to real estate professionals and community residents.

Reduce the Cost Burden and Diminish the Threat of Homelessness for Low-income Tenants

Two-Year Plan

The HUD Consolidated Plan for Barnstable County also highlighted the risk of homelessness on the Cape attributed to several factors including the high demand and relative lack of affordable housing, the significant number of low-income residents with excessive to severe cost burdens, seasonal rentals and economy, and other special needs issues. The Plan suggests a range of resources available on the Cape to increase affordable rental housing, provide rental subsidies, offer emergency assistance, provide help with housing searches, offer transitional housing, and meet other special needs. Through the

training and educational campaign recommended in Section III.A.4 and 5., important information on resources to prevent and respond to homelessness could be disseminated to real estate professionals, local leaders, community service workers and community residents.

Monitor and Insure that Units Included in the Town's Affordable Housing Inventory Remain Affordable

Two-Year Plan and Ongoing

Based on how housing was financed and how long the affordability requirements were established, the affordable status of some current housing units are likely to be in jeopardy in the future. The current inventory of those "expiring use projects" that are most vulnerable to losing affordability is maintained on CHAPA's web site, and will be regularly updated by the Community Economic Development Assistance Corporation (CEDAC).

It is important to insure that all affordable housing units that are produced remain a part of the Town's Affordable Housing Inventory, in perpetuity if possible. The Local Housing Committee should review all units that are currently included in the inventory to determine what units are vulnerable to being returned to the private market and when this might occur. Even if expiring use restrictions allow an owner to convert a property to market rentals, based on a recent court case, the Zoning Board of Appeals of Wellesley vs., Ardmore Apartments, the Town may still have some leverage to enforce affordability given the applicability of certain regulatory or land use controls (e.g., comprehensive permit, 121A tax agreement, ZBA variance). It will be important to monitor these projects and intervene if necessary to maintain affordability well into the future. New affordable units that come into the Inventory should be designated as affordable for as long a period of time as possible and, in the case of homeownership, with resale restrictions indexed to changes in HUD's area median income as opposed to market value.

II. INTRODUCTION

Sandwich has experienced the greatest growth in population and housing than any other community on Cape Cod, an area of intense development during the past decade. According to 2000 census estimates, Sandwich's population grew 30% since 1990 as compared to the county growth rate of 17% for the same period. Sandwich also had the highest percentage growth in housing from 1990 to 1997 according to the Cape Cod Commission where approval of 1,345 new homes increased the housing stock by 19%, more than double the Cape-wide housing growth rate. The 2000 census indicates that 1,512 new housing units were produced over the past decade, representing a 21% increase. Augmented by an 11.5% increase in housing values from 1990 to 2000, only 28% of the town's housing is currently assessed as affordable. However, based on current housing prices, only about 17.5% of the homes that have sold in 2002 would be affordable to those earning median income and 3.6% to those earning 80% of area median income.

There are 271 affordable housing units in the current state-approved Affordable Housing Inventory, another 80 new affordable units in the pipeline, bringing the projected total to 351 units or 4.6% of the year-round housing stock, assuming all of the pipeline projects reach completion and calculating for recent growth of the housing stock. There are 406 more affordable units needed to reach the state's 10% goal, assuming all pipeline projects reach completion, and with additional growth in population the total housing units needed is likely to be approximating 500 units within the decade. Based on the build-out analysis that was completed by the Town, at least one-third of all new housing units produced, or about 650 of the 2000 additional units projected for build-out, must be made affordable if the town is to meet the state's 10% affordable housing goal into the future. *However, these additional new affordable units will not meet the existing need and demand, much less potential future needs.*

In this context of significant growth and escalating prices, housing developers have become increasingly attracted to development opportunities in Sandwich, and some have used the state's Chapter 40B comprehensive permit process that allows them to override local zoning in exchange for producing affordable housing. Recent changes to Chapter 40B allow communities to deny comprehensive permit applications if the Town has a state-approved affordable housing plan in place and is making progress towards its production goals of at least .75% new units produced per year, referred to as a Planned Production Program. These guidelines suggest that Town-sponsored development of approximately 60 units per year including "friendly" Chapter 40B developments and other supported development projects would enable the Town to control comprehensive permit applications. Recommendations from the Governors' Chapter 40B Task Force include a reduction of this Planned Production Program requirement to .5% of the existing year-round housing stock per year, reducing the annual production goals to 38 units.

In order to meet the range of local housing needs and maintain better control over affordable housing development, the Town of Sandwich should support the production of at least 60 new units annually, an extremely ambitious task that will take considerable resources. It is essential that the Town plan for this development as strategically as possible to best leverage the investment of its limited resources and guide new development for the benefit of existing residents and future generations.

A. Purpose of Project

In 2000 the Board of Selectmen created the Local Housing Committee in recognition of the escalating housing market, making affordable housing a higher priority for the town. Later in the year the Sandwich Local Housing Committee stated that the provision of affordable housing in Sandwich was vital to the well being of the town and its residents and that a long-term community education campaign was pivotal to realizing such development. The Committee recognized that it had long discussed the “need to educate the public about affordable housing as that for our children, teachers, firemen, Town employees, etc.” They suggested that the key focus for the education campaign should be two-fold – to identify the needs for affordable housing and articulate the importance of affordable housing to the entire community. This is the essence of the intent of this comprehensive planning project.

In April 2002, the Town of Sandwich issued a notice for firms or individuals to research, document and develop updates to the Town’s Housing Needs Assessment, completed in 1997, and the Housing Action Plan, completed in 1998. During the following month the Housing Consultant, Karen Sunnarborg, was selected to undertake this work that included the following specific tasks:

- Inventory of existing housing and housing types;
- Current demographic and population figures;
- Cost analysis of existing market conditions;
- Analysis of income categories;
- Analysis of the obstacles to affordable housing;
- Needs that result from the above factors;
- Review of existing programs, resources, regulations and by-laws;
- Determination of the most appropriate government and community actions necessary to address the most pressing housing needs; and
- Review and analysis of existing housing needs assessment and action plan.

It was determined that the analysis of 2000 U.S. Census Bureau data on household income and other demographics as well as the most recent housing market data would be pivotal to enabling the Town to obtain a better grasp of what residents can afford with respect to housing and what special housing needs they might require. In turn the housing market data reflected current housing prices and types of housing available, indicating what gaps exist between residents’ needs and the existing supply. To support this analysis other housing reports, studies, and plans were incorporated into the analysis as well as interviews with key local leaders and real estate professionals to obtain their input on the challenges and opportunities for affordable housing preservation and production in Sandwich. The context that was established during this phase of planning suggested key elements of a Housing Action Plan, outlining both short-term and longer-term strategies to create housing that responds to the local needs of Sandwich citizens.

Subsequent to the completion of the updated Housing Needs Assessment and Housing Action Plan, the Town of Sandwich determined that it required more comprehensive information, including fleshed-out housing strategies, to guide its work in promoting affordable housing over the next decade. Pivotal to this work was a public process that would enable Sandwich residents to have input into the development of the Plan and help define a community vision for affordable housing in all areas of Sandwich. The

Town conducted a process to obtain bids on this work and hired the consultant, Karen Sunnarborg, in early 2003 to undertake the project. Specific objectives of this next phase of the planning process included the following:

- Engage the town in a dialogue about the need, location and form of affordable housing in Sandwich.
- Sponsor at least two public meetings.
- Based on public comment, the Sandwich Housing Needs Assessment, the Regional Policy Plan Recommended Town Actions, and any applicable state regulations; identify requirements, issues and opportunities for affordable housing in Sandwich.
- Complete a Community Housing Plan.

The Town subsequently created the Sandwich Community Housing Plan Team to develop the Community Affordable Housing Plan, staffed by the Director of the Town's Planning and Development Office, Jo Anne Miller Buntich and Karen Sunnarborg, Housing Consultant. The Planning Team members were Pam Terry, Jon Fitch and Jane Maio. Members of the Local Housing Committee including Lou Cerrone, Heather Levy, Sharon Napier, Kevin O'Haire, Ed Houlihan, and Jack Jillson reviewed and commented on the plan.

B. Goals and Objectives

There are two underlying goals for all of the recommendations in this Affordable Housing Plan including:

- *To provide the regulatory framework to encourage the creation of adequate and affordable housing for all residents in Sandwich along the full range of incomes, and*
- *To maximize local interest and investment in affordable housing.*

These two goals were based on the understanding that the Town should be promoting affordable housing to satisfy the full range of local needs – not just to satisfy the 10% Chapter 40B target – and that it was important for local residents to understand this commitment and, to the greatest extent possible, be involved.

In addition to these goals, the Housing Plan Committee agreed to a range of objectives that would be the basis for the recommended strategies included in the Community Affordable Housing Plan including the following:

- Provide a wide range of housing alternatives to meet diverse housing needs,
- Preserve the existing affordable housing stock,
- Leverage other public and private resources in the preservation and production of affordable housing to the greatest extent possible,
- Insure that new housing creation is harmonious with the existing community,
- Promote diversity and the stability of individuals and families living in Sandwich,
- Encourage the integration of smart growth principles in the development of housing, and
- Insure that Town Government is an active partner in the development of affordable housing.

As part of its Planned Production Program, Sandwich has projected affordable housing development over the next ten years that will create at least the equivalent of .75% of the year-round housing stock in one year or 1.5% over two years. These production targets are based on the above goals and objectives and the actions that are described in Section V – the Housing Action Plan. In compiling these projections, Sandwich has made a number of assumptions concerning future development including:

- Development of Town-owned property is estimated to incorporate at least 50% of the units as affordable to households earning at or below 80% of area median income and at least 10% affordable to those earning up to 150% of area median income, depending on project feasibility.
- Because many of the sites identified for development are privately owned, production will involve projects sponsored by private developers through the “friendly” comprehensive permit process or the recently amended Affordable Housing Conditional Density bylaw. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests.
- The projections involve a mix of rental and ownership opportunities, and the Town will work with private developers on projects directed to particular populations with housing needs including families, seniors and other individuals to offer a wider range of housing options for residents.

A summary of the Planned Production Program is included under Section V.E. and in a summary table as Attachment 5.

C. Definition of Affordable Housing

There are a number of definitions of affordable housing, as various federal and state programs target specific criteria. For example, the federal government identifies units as affordable if gross rent, which includes the costs of utilities borne by the tenant, is no more than 30% of a household’s net or adjusted income with a small deduction per dependent, for child care, extraordinary medical expenses, etc. or if the carrying costs of purchasing a home, including mortgage, property taxes and insurance, is not more than 30% of gross income. If households are paying more than these thresholds they are experiencing housing affordability problems, and if they are paying 50% or more for housing they are defined as having severe housing affordability problems.

Affordable housing is also defined according to percentages of median income for the metropolitan area (SMSA), and most housing subsidy programs are targeted to particular income ranges depending upon programmatic goals. Extremely low-income housing is directed to those earning at or below 30% of area median income as defined by the U.S. Department of Housing and Urban Development, \$18,100 for a family of four, and very low-income is defined as households earning less than 50% of area median income, \$30,150 for a family of four, and sometimes 60% of area median income is used for particular low-income programs, \$36,200 for a four person household. Low-income generally refers to the range between 51% and 80% of area median income, \$48,250 for a family of four at the 80% level, and moderate-income from 81% to 100%, and sometimes 110% and 120% of median income, \$60,300, \$66,350 and \$72,350, respectively, based on a family size of four. Middle-income is typically defined by the state’s Executive Order 418 as incomes of up to 150% of area median income or \$84,750 for a family of four. These income levels are summarized in the table below:

TARGETED INCOME LEVELS FOR AFFORDABLE HOUSING

# Of Persons in Household	30% of Median Income	50% of Median Income	60% of Median Income	80% of Median Income
1	\$12,650	21,100	25,300	33,750
2	14,450	24,100	28,900	38,600
3	16,300	27,150	32,600	43,400
4	18,100	30,150	36,200	48,250
5	19,550	32,550	39,100	52,100
6	21,000	34,950	42,000	55,950
7	22,450	37,400	44,900	59,800
8+	23,900	39,800	47,800	63,700

2003 Median Family Income = \$58,600

In general, programs that subsidize rental units are targeted to households earning within 60% of median income, \$36,200 for a family of four. However, first-time homebuyer programs typically apply income limits of up to 80% of area median income. *It is worth noting that approximately one-third of Sandwich's households are likely to be income-eligible for affordable housing using the 80% of area median income level.*

The state typically counts a housing unit as affordable if it is subsidized by state or federal programs that support low- and moderate-income households at or below 80% of area median income. Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households. Additionally, most state-supported housing assistance programs are targeted to households earning at or below 80% of area median income, some at lower income thresholds.

D. Brief History of Housing in Sandwich

"In January 1622/3, Governor Bradford came to Sachem Caunacum in the Manomet River area to buy corn for the Colony. He would then have seen for himself the geographic feature that made the Sandwich area unique as a bridge between Massachusetts Bay on the north and Buzzards Bay on the south. The overland distance between the bays was eight miles, but to an Indian in a canoe only one half mile was portage. One could paddle up the Scusset River to its headwaters, walk over the saddle to the Manomet River (at present Bournedale) and float down to the other bay. The Pilgrims took good advantage of this situation in 1627 when they built a small vessel and a trading post on Monument Neck for trading with the Indians and with the Dutch at Manhattan."²

² Lovell, R.A., Jr., Sandwich. A Cape Cod Town, Town of Sandwich, Massachusetts, Archives and Historical Center, 1996. Much of the early history in this section is taken from this publication.

Beyond visits for exploration and trading purposes, Sandwich was not settled until a decade later when “Ten Men from Saugus” settled the area, referring to the original land grant for approximately sixty families from the Saugus Plantation. The departure from Saugus, now part of Lynn, was authorized by John Humphries, an Assistant Governor of the Massachusetts Bay Colony and the magistrate of Saugus. He was also the only person in authority who had a connection to Sandwich, Kent and who might have been in a position to suggest a name for the new town. There were similarities in the two areas including flat marshes, a shallow harbor, a side bay running northeast/southwest, and even a portion of a channel called Buzzer’s Reach or Buzzer’s Belly. Another leader in the settlement was Edmund Freeman of Pulborough, Sussex, who arrived in October 1635, and after a brief residence in Plymouth or adjoining Duxbury, was joined by other Plymouth and Saugus residents in settling Sandwich in 1637. Edmund Freeman became an extensive landowner, whose properties included Plymouth Neck, also known as Freeman’s Knob, now Sagamore Hill.

The original settlement focused on land that was not part of the native population’s – the Wampanoag Indians – main territory, and Pilgrim leaders discussed and paid for these areas before they were settled. The early settlers initially settled along the borders of the salt marshes and streams in an area about a mile deep and ten miles long with sections of upland for building and areas along the salt marshes for haying. Additional settlers came on invitation from the original settlers who had already claimed all of the marshland with convenient access from the upland along what is now Tupper Road, Town Neck and the dock area – the central areas of the original town. As the new settlers had to be removed some distance from the village center, there were complaints. After a series of hearings over time, including the intervention of Captain Miles Standish, a new committee was established to reallocate the meadows in proportion to a resident’s “estate and quality”. The valuable salt marshes were distributed based on the assets a family brought to the community (e.g., animals, tools, furniture, case and other assets), a man’s “quality”, and a formula was devised to insure access to a spring or stream for each home-site as well as upland for grazing.

Despite turnover in residents, the population figures remained stable throughout the 1640’s and 1650’s, however, inevitably settlers became interested in expanding outward into unallocated land that was owned by the Wampanoag Indians. Land grants were initiated in vague terms that allowed the expansion as long as settlers did not bother the Indians. If a newcomer left the community, the title reverted back to the town unless there were considerable improvements that enabled that settler to sell both the improvements and title to the property. New regulations were issued in 1658 that required taxation of improved land, urged owners to sell off surplus meadow, required the town to sell unallocated meadow with proceeds directed to dock work, and established a committee of seven to record all lands and boundaries. A property survey was conducted in 1667 that recorded land holdings with boundaries for 242 lots, largely near the salt marshes and the bays and the valley of the Manomet/Herring River. In 1702, additional lots were allocated by 20, 30 and 40-acre lots that included unallocated town commons and the more remote areas near the Barnstable, Falmouth and Mashpee lines to be used primarily as sheep pasture, and woodland areas. Lots were issued to approved lists of townspeople.

Agriculture remained the main economic activity, and the town grew slowly with 136 families recorded as residents in 1730, not including the Quakers who settled in East Sandwich. The population increased to 245 in 1765 with 200 houses built and a

population of 1,449. During this time the Wampanoag Indian population diminished substantially, totaling only 5% of the population.

Settlement continued to spread towards the east from the village center into Spring Hill, East Sandwich and Scorton Neck areas and to the west into Scusset. The first federal census in 1790 counted 323 families or 656 residents, which increased by approximately 25% to 452 families and 2,484 individuals in 1820. All areas of Sandwich experienced growth, however the greatest population increases occurred near the Bourne side, especially in the Scusset area. As the area matured, larger more impressive houses began to be built, some of which still remain standing from the Colonial period, including the Hoxie House. And most of the early development occurred along or not far from the Colonial corridor of what is now Route 6A and Old County Road.

The early 1800's witnessed some new industrial enterprises, beyond the local gristmills, including a small cotton mill built by Stephen Wing in 1811 at the northern end of Shawme Pond and the Boston & Sandwich Glass Company in 1825. These enterprises attracted Irish and English artisans, and the population began to grow more rapidly. The Glass Factory provided small cottages and tenements for its workers in the State Street-Freeman Street area. The Glass Works also encouraged the expansion of wharf facilities and the first railroad connection in 1848. Such development further promoted population growth, rising to 4,479 residents in 1860. Following the Civil War, the population declined to 3,694 in 1870. Following a series of discussions over the years, the town was split to separate the Town of Bourne from Sandwich in 1884. At this time the population decreased to 1,500, which is close to the population count prior to the American Revolution. Primarily the closing of the Glass Works in 1869 and a diminished farm economy precipitated this decline.

The turn of the century brought a continued decline in population and in the economic base of manufacturing, marine activities and farming, however the prospects for tourism improved when the area began to attract affluent summer residents. These newcomers buoyed the local economy and focused investment in real estate. Sandwich, however, was less competitive in the tourist trade than other areas due to the colder waters of the bay as opposed to the beach areas on the south side of the Cape. Shoreline development did occur along Springhill Beach, Ploughed Neck, Wing Boulevard, Hammond Road, in Town Neck and Scusset, typically in the form of small summer cottages. Small rental colonies also began to appear along Route 6. A subdivision of fifty-by-fifty lots intended for summer vacation houses on Town Neck in 1949 promoted the establishment of the Zoning Bylaw, due to local concerns about safety and public health.

The new century also brought several important new developments including the opening of the Cape Cod Canal in 1914, the formation of the Shawme-Crowell State Forest, and the establishment of Camp Edwards and the Otis Air Force Base. Despite the development of 1,500 new buildings at Camp Edwards and resulting growth of military personnel, the Sandwich nonmilitary population further declined, and only a few new homes were built as the century progressed. By 1940 Sandwich had a population of only 1,360. It could be said, however, that population decline and accompanying limited interest in local development helped preserve much of historic Sandwich, leaving many historic buildings untouched. The development of a large oil-fired electric generating plant in 1965 motivated the town to take formal steps to preserve the historic character of the town, and the Sandwich Historical Commission was established in 1971

and a Chapter 40C historic district was created at the Village Center. Another historic area – the Old King’s Highway Regional Historic District – was established in 1973 that includes the northern section of six towns, from Sandwich to Orleans.

After 1940, Sandwich witnessed a modest increase in population to 1,418 in 1950, 2,082 in 1960 and 3,634 in 1970. During the 1970’s the area experienced a population boom with residents increasing to 8,727 in 1980, almost doubling to 15,489 in 1990 and up to 20,136 in 2000. This boom has been fueled by vacationers, retirees and Boston commuters, leading to intense speculative new development, residential property in particular, and putting significant pressures on local infrastructure and services. In recognition of this high rate of development throughout the Cape, the Cape Cod Commission was created in 1990 to provide a more comprehensive approach to regional planning.

Future development will be more limited given decreasing availability of land and water resources and increasing regulations. Residents are anxious to see environmental and cultural features preserved and have an interest in directing new housing production to benefit local needs whenever possible. In February of 2000, the Town created the Sandwich Housing Committee to assist the Town in guiding the development of affordable housing and has commissioned this Plan. An Historic Preservation Plan was also prepared in 2002 to assist the Town in preserving its many historic properties.

III. HOUSING NEEDS ASSESSMENT

As housing values soar, it is becoming increasingly difficult for individuals and families to find affordable housing in the private market. And the private market, without subsidies, is neither able nor interested in producing housing that is affordable to low- and moderate-income households given existing regulations. As a result, it becomes necessary to increasingly rely on regulatory relief and housing subsidies in some form to preserve affordable housing and to produce enough housing to meet the pressing affordable housing needs and demands. Escalating market prices for both the purchase and rental of housing have generated concerns that many long-term residents might be experiencing difficulties paying their taxes, maintaining their homes or affording market rentals. Children who grew up in Sandwich can no longer find suitable housing in which to raise their families. Town employees are confronted with longer commutes as the affluence of the Upper Cape squeezes them out of the housing market and forces them into longer commutes.

This Housing Needs Assessment provides an overview of the current housing situation in the Town of Sandwich providing the context within which a responsive set of strategies can be developed to address housing needs. Key findings in regard to household characteristics, housing characteristics, and housing affordability in Sandwich are summarized in the following:

Household Characteristics

- The median household income in 2000 was \$61,250, up 41% from the 1990 median income of \$43,500, documenting the increasing affluence of the area.
- The income distribution for those households that include children – families – is somewhat higher with a median family income of \$66,553; and there were 2,264 families, almost 41%, earning more than \$75,000, including 7.5% earning more than \$150,000.
- There were 611 individuals and 120 families that were classified as living in poverty including 109 elderly individuals.
- While poverty has seemingly decreased from 1990 to 2000 based on census information, an impoverished population remains within Sandwich requiring public assistance to meet their housing needs. It is useful to consider whether the decrease in poverty level is a result of households improving their standard of living or being forced to move elsewhere in search of a more affordable living environment.
- About one-third of the population moved to their current home within the last five years, indicating significant mobility of the population.
- More than 2,400 individuals claimed a disability that prevented them from working and almost 900 of whom were 65 years of age or older.

Housing Characteristics

- Housing creation has been intense with more than three-quarters of the housing stock built since 1970.
- The predominant housing type in Sandwich is a fairly new and moderately sized, single-family detached structure, which is increasingly becoming less affordable as housing values soar.
- Rental apartments are scarce and most multi-family housing is available through the Sandwich Housing Authority or other subsidized developments.

- As town residents on a whole are becoming more affluent based on census income data, a household with the median income of \$61,250 is discovering that it is difficult to find adequate housing that is affordable at market prices.
- Waterfront rentals are getting up to \$3,500 per week in the summer season, and modest two-bedroom rentals located a couple blocks from the beach are priced at about \$950 per week.
- It is impossible to find very small rentals such as a studio or efficiency, with the exception of illegal apartments.

Housing Affordability

- Recent home sales indicate that there were no sales at or below \$164,000, the highest affordable sales price for households earning at or below 80% of area median income based on HUD's figures, indicating that these households are virtually shutout of the current homeownership market.
- The affordability gap is about \$110,000 - the difference between the price of the median priced home of \$320,000 and what a median income household can afford or \$210,000.
- The affordability gap increases to approximately \$156,000 when calculating the difference between the median market price and what a moderate-income household can afford earning at or below 80% of area median income.
- To afford the rent at the lowest end of the range, \$1,200, would require an income of \$45,000, suggesting that households earning at 80% of the median income could afford to rent at the lowest end of the rental market based on realtors' listings.
- The Sandwich Housing Authority has a huge waiting list of almost 1,000 applicants with three to five year waits for available units.

There are 271 affordable housing units in the current state-approved Affordable Housing Inventory, another 80 new affordable units in the pipeline, bringing the projected total to 351 units or 4.6% of the year-round housing stock, assuming all of the pipeline projects reach completion and based on recent growth. There are about 400 more affordable units needed to reach the state's 10% goal if all pipeline units reach completion, and with expected growth in population the total housing units needed is likely to be approximately 500 units within a few years and about 650 units at build-out. *However, these new affordable units will not meet the existing need and demand, much less potential future needs.*

A. Housing Characteristics

The predominant housing type in Sandwich is a fairly new and moderately sized, single-family detached structure, which is increasingly becoming less affordable as housing values soar. Homes are typically occupied by increasingly prosperous working professionals and their children. As town residents on a whole are becoming more affluent based on census income data, a household with the median income of \$61,250 is discovering that it is difficult to find adequate housing that is affordable at market prices. Rental housing is scarce and any multi-family housing is available only through the Sandwich Housing Authority or through other subsidized developments. Detailed information on Sandwich's population and housing stock is summarized below.

1. Population and Housing Data

Population, Race and Household Type

The 2000 census data indicates that Sandwich had a total population of 20,136, a 30% increase over the 1990 population of 15,489 and a 114% increase since 1980 when the population was 9,389. The population has remained predominantly White. For example, in 2000 the census describes 97.8% of the population, or 19,683 persons, as White with all other races represented at 2.2%. In 1990 the town also had a minority population of 2.20%, but as the total town population has grown by 30% the total numbers of minorities have increased as well from 345 to 453 persons.

In regard to those 65 years of age or older, in 2000 there were 2,757 seniors, 13.7% of the population, as compared to 2,184, or 14.1%, in 1990. In contrast those 19 years or younger comprised 30% of the 2000 population, or 6,097 persons, up from 29.4% or 4,558 persons in 1990. The median age was 39.5 in 2000 as opposed to 35.4 years in 1990.

Demographic Characteristics 1990-2000

	1990		2000	
	#	%	#	%
Population	15,489	100	20,136	100
Minority Population*	345	2.20	453	2.2
Population Age 65+	2,184	14.1	2,757	13.7
Population 19 & under	4,558	29.4	6,097	30.0
Total Number of Households	5,558	100.0	7,335	100
Married Couples	3,832	68.9**	4,768	65.0**
Female Heads of Households	397	7.1**	595	8.1**
Non-family Households	1,236	22.2**	1,820	24.8**

Source: 1990 and 2000 U.S. Census Bureau

Income Distribution

The median household income in 2000 was \$61,250 up 41% from the 1990 median income of \$43,500. Of the 7,346 total households in 1999, 302 or 4.1% had incomes below \$10,000 while 6.1% had incomes of more than \$150,000. Almost 26% of the households were earning between \$50,000 and \$74,999. Those earning \$75,000 or more included 36.5% of the households up significantly from 15.4% in 1990. A comparison of 1990 and 2000 income figures is presented in the following table:

Income Distribution by Household 1990-2000

	1990		2000	
	#	%	#	%
Under \$10,000	440	7.9	302	4.1
10,000-14,999	0	0	216	2.9
15,000-24,999	939	16.9	539	7.3
25,000-34,999	645	11.6	611	8.3
35,000-49,999	1,236	22.2	1,114	15.2
50,000-74,999	1,443	26.0	1,885	25.7
Over 75,000	855	15.4	2,679	36.5
Median	\$43,500		\$61,250	

Source: 1990 and 2000 U.S. Census Bureau

While the percentage of those earning between \$50,000 and \$74,999 was fairly comparable in both 1990 and 2000, the numbers of those earning more than \$75,000 increased significantly over the decade, more than what would be expected under normal inflationary trends, indicating the increasing affluence of the town. This is also indicated in the 41% increase in median income over the decade. The income distribution for those households that include children – families – is somewhat higher with a median family income of \$66,553 and 2,264 families, almost 41%, earn more than \$75,000, including 7.5% who earn more than \$150,000.

Additional household income data by range of income and type of residency is also provided by the census based on projections for the year 2002 based on 1990 data. These projections suggest an increase in renters from 1990 when in reality the number of renters decreased from 904 to 880. Nevertheless, the data does indicate that there are substantial numbers of low and moderate-income households that have limited means to afford the increasing costs of housing.

**Income Distribution by Household and Type of Residency
2002 Census Projections**

Income Range	Renters	Owners	Total
0-30% of MFI	118	411	529
31-50% of MFI	201	447	648
51-80% of MFI	208	765	973
81-96% of MFI	201	551	752
Total*	728/1,242	2,174/5,980	2,902/7,222

* Total of those earning at or below 96% of Median Family Income/Total number of projected renters and owners in Sandwich.

Poverty

The federal Department of Health and Human Services sets poverty thresholds nationally. They are the same for all states and are currently set at \$8,860 for a single person and \$18,100 for a family of four.

While poverty has seemingly decreased based on 2000 census data several issues must still be kept in mind. First, while absolute numbers and percentages of those in poverty have decreased, there remains a population within the town of Sandwich with substantial income limitations, requiring public assistance to meet their housing needs. Second, it is useful to consider whether some of those residents who were classified in 1990 as living beneath the poverty level have managed to increase their financial resources or have moved elsewhere searching for a more affordable living environment.

The following table presents this data regarding poverty.

	1990		2000	
	#	%	#	%
Individuals below poverty level	729	4.8	611	3.1*
Families	151	3.5	120	2.2**
Female-Headed households	50	12.5	57	9.8***
Individuals 65 years +	133	6.4	109	4.1****

Source: 1990 and 2000 U.S. Census Bureau

*Percentage of total population

**Percentage of all households

*** Percentage of all female-headed households

****Percentage of all individuals age 65+

Education

In 2000, 94.7% of those 25 years and older had a high school diploma or higher and 38.3% had a college degree or higher. Those enrolled in school (nursery through graduate school) totaled 5,780 or 29% of the population and those enrolled in nursery school through high school totaled 4,966, 86% of the school age population and 25% of the total population.

Disability Status

Of the 2000 population of 5 to 20 years old, 355 or 7.2% had some disability, and the population age 21 to 64, 1,642 or 14.8% claimed a disability but 71.8% of this cohort was employed. The population 65 years of age or older, 897 or 34% claimed some type of disability.

Residency in 1995

In regard to persons who had moved to a different house during the last five years -- involving 7,024 persons or about one-third of the total population --

17.9% came from the same county, 19.4% came from a different county, 11.5% came from the same state and 7.9% came from a different state. This represents significant mobility of the town's population.

Housing Characteristics

The 2000 census counted 8,748 total housing units in Sandwich, up 21% from 7,236 units in 1990 and an increase of 101% since 1980 when there were only 4,358 units. This high rate of growth is evidenced in the numbers of building permits issued over the past several decades with almost 2,000 permits approved in the 1970's, 2,700 permits in the 1980's, 1,575 permits approved during the 1990's, and a significant drop-off of permits after 2000 as indicated below:

Sandwich Building Permit Activity	
<u>Year</u>	<u>Single Family Permits Issued</u>
1970	145
1971	188
1972	254
1973	243
1974	133
1975	126
1976	178
1977	242
1978	266
1979	212
1980	130
1981	155
1982	193
1983	308
1984	333
1985	479
1986	401
1987	268
1988	270
1989	170
1990	125
1991	139
1992	136
1993	193
1994	220
1995	158
1996	141
1997	158
1998	155
1999	150
2000	105
2001	103
2002	81
2003	42 (as of 11/15/03)

Source: Sandwich Annual Town Reports 1970 to 1998.
Building Department records 1999 - 2003.

Since 1970 a total of 6,600 building permits for new single-family homes have been issued, representing an average of 200 permits annually and ranging from a high of 479 permits in 1985 to a low this past year, as of mid-November, of only 42 permits. While it is likely that additional permits will be issued before the end of the year, a significant surge in building activity is not anticipated and it is unlikely that more than 50 permits will be approved in 2003.

This significant decrease in construction since 2000 is likely related not only to dramatic increases in the costs of property, but also to the relative reduction in the amount of land most amenable to development. Additionally, more residents are choosing to remain in their current homes due to the prohibitive costs of “buying up”.

The town has 7,574 year-round housing units and of the 7,335 occupied units, 88% are owner-occupied units and the remaining 12% are rental units. The census counts 13.4% or 1,174 units that involved seasonable, recreational or occasional use. The homeowner vacancy rate was less than 1%, less than the 2.2% owner vacancy rate in 1990. However, the rental vacancy rate increased from 4.3 in 1990 to 11.9% in 2000. It is unclear how this vacancy rate could be so substantial given the tight housing market conditions and without indications of vacancies in town. The following table includes a summary of these housing characteristics.

Housing Characteristics 1990-2000

	1990		2000	
	#	%	#	%
Total # housing units	7,236	100.0	8,748	100.0
Occupied units	5,557	77.0*	7,335	83.8*
Occupied owner units	4,653	84.0**	6,455	88.0**
Occupied rental units	904	16.0*	880	12.0*
Seasonal and recreational	1,214	16.8*	1,174	13.4*
Owner vacancy	157	2.2*	70	.8
Rental and other vacancy	308	4.3*	1,041	11.9

Source: 1990 and 2000 U.S. Census Bureau

* Percentage of total housing units

** Percentage of occupied housing units

Most of the housing units are in single-family, detached structures, 92.2%, with 3.5% in single-family, attached dwellings or two-unit structures. The remaining 353 units, or 4% of the housing stock, are in residences with 3 or more units and the census also counted 27 mobile homes. Only 23% of the housing stock was built prior to 1970 with 545 units or 6.2% of housing units constructed prior to 1939. The majority of housing units, 57.1%, were built between 1970 and 1989

and almost 20%, or 1,730 units, were built in the 1990's, 130 units between January of 1999 and March 2000. The median number of rooms per housing unit was 6.2 indicating that the average home had three bedrooms. The great majority, 63.5%, had between five to seven rooms, with only 5.5% with three rooms or less and 9.5% with 9 rooms or more. Of the 7,335 occupied housing units, 60.7% of the occupants moved into their units since 1990 indicating significant mobility in the housing market. More than 80% of the households had two vehicles representing significant parking needs. The 2000 census also counted 34.8% of the housing units using gas and 52.6% using oil. Less than 1% of housing units lacked complete plumbing facilities, kitchen facilities or telephone service.

2. Housing Market Conditions

Escalating market prices for housing have not only reduced the supply of affordable housing in Sandwich but provide a further challenge to creating affordable housing.

Census data also provides information on housing values for homeownership and rentals. The census indicates that the 2000 median house value was \$178,000, up 11.5% from the median in 1990 of \$159,700. In 2000, only 1.6% of the housing stock was valued at less than \$100,000 while 13.4% or 794 units were assessed for more than \$300,000. There were 2,091 units or 35.2% of the housing stock valued between \$150,000 and \$199,999 that includes the bulk of the more affordable housing stock.³ Housing values are summarized in the following table:

Value	Number of Units	% Of Units
Less than \$50,000	20	0.3
\$50,000 to \$99,999	80	1.3
\$100,000 to \$149,999	1,568	26.4
\$150,000 to \$199,999	2,091	35.2
\$200,000 to \$299,999	1,379	23.2
\$300,000 to \$499,999	670	11.3
\$500,000 to \$999,999	113	1.9
\$1,000,000 or more	11	0.2
Median (dollars)	\$178,000	-

Source: 2000 U.S. Census Bureau

The median gross rental was \$783. This figure is likely to be skewed to the low end of the market range as the census included subsidized rents in addition to market rentals. Of the 864 rental units analyzed, 158 units or 18% had gross rents of less than \$500, and at the other end of the range 26% or 221 units were rented at more than \$1,000 per month. Sixty-three units were reported as having no cash rent.

Information about actual sales prices from local realtors presents a significantly more costly picture of the current housing market than the 2000 census data.

³ Census housing values are derived from Assessor's data.

Data from the September 3, 2002 Multiple Listing Service suggests an average sales price for homes that have sold in 2002 of \$310,598. The listing included 223 sales ranging from a low of \$103,000 for a small home built in 1960 with two bedrooms, one bath and no garage near Town Neck Beach to a high of \$960,000 for a home with five bedrooms, five baths and a two-car garage near the Holly Ridge Golf Club. There were only 30 listings below \$200,000, representing 14% of the sales, with 8 of these homes selling above \$190,000. These sales on the low end of the range were fairly evenly split between two- and three-bedroom homes, almost all with one bathroom and without a garage. It is these homes that would be affordable to households earning at or somewhat below median income.

Updated listings, as of May 16, 2003, suggest a higher average sales figure for single-family homes of \$371,175 based on 154 sales, ranging from \$167,000 to \$930,000. The lowest price home was a three-bedroom, one-bath home without a garage requiring significant improvements located on Courtland Drive while the highest priced sale involved a four-bedroom, two-bath home with a two-car garage on Cranberry Trail. To afford the average sales price a household would have to earn approximately \$100,000 annually. In this updated listing there were only seven sales priced at or below \$210,000 – what a median income household can afford. The only listing that was affordable to someone earning at or below 80% of area median income was the small three-bedroom house mentioned above at \$167,000.

Alternatively, market data from Banker & Tradesman for the period of January through April 2003 indicated a median sales price of \$303,750, \$320,000 for single-family homes and \$212,500 for condominiums.⁴ The \$320,000 sales figure for single-family homes is quite comparable to the May Multiple Listing Service data.

Local realtors claim that any house priced in the early \$200,000 range is sold within two days and fewer homes are coming on the market as residents feel that they cannot afford to “buy-up” in the current market. While the turnover of homes has dwindled to only eight homes on the market in September of 2002, three of which were priced below \$300,000, the May listings indicate 143 active listings, ranging from asking prices of \$175,000 to \$2.2 million. There were only two active listings below \$210,000 – a one-bedroom, one-bath cottage priced at \$175,000 and a three-bedroom, one-bath house, without a garage, built in 1954.

A local realtor stated, “You can't live in Sandwich unless you commute off-Cape or have a professional job”. In fact Boston commuters searching for affordable communities to raise their families have been forced further south along the coastline towards the Upper Cape, finding Sandwich more affordable than Duxbury or other coastal towns and putting pressure on the town's housing market. This attraction of young families has been a major contributing factor to increased school enrollments. Another pressure point on existing housing prices is the second home market that has been further buoyed by the sagging stock market as investors turn to real estate. A recent three-bedroom, one bath 1,100 square foot Cape with deeded beach rights sold for \$356,000 to residents from

⁴ Town Stats, Banker & Tradesman, The Warren Group, May 27, 2003.

New Jersey. A realtor noted that there was only one person who lived year-round in this waterfront area. Another example of escalating values is a house on Boardley Road that sold in 1992 for \$95,000 and was resold last year for \$240,000, a 150% increase in less than ten years. While it is acknowledged that it is likely that purchasers may get more house for their dollar in the Forestdale section of Sandwich, nevertheless, modest Capes in this area are selling for between \$240,000 and \$260,000.

In regards to rentals, there is one local realtor that deals with most of the summer rentals and other realtors rarely see rental property come on the market, particularly year-round property. Sandwich has very little multi-family housing, most of which is managed by the Sandwich Housing Authority or has in some form been subsidized. Also, most of the rental stock is in private condominiums renting at \$1,200 to \$2,500 per month not including utilities or maintenance expenses. Waterfront rentals are getting up to \$3,500 per week in the summer season, and modest two-bedroom rentals located a couple blocks from the beach are priced at about \$950 per week. It is impossible to find very small rentals such as a studio or efficiency, with the exception of illegal apartments. The new 36-unit Sandwich Housing Authority project at Osprey Lane attracted almost 200 applicants due to the scarcity of rentals much less affordable rentals.

B. Cost Analysis of Existing Market Conditions

As housing prices escalate the affordability gap widens, the gap being the difference between the cost of housing and the proportion of income that is reasonable to pay for housing, typically defined as 30% of gross income. To afford the median sales price of \$320,000 for a single-family house, a household would have to earn approximately \$90,000, well over the 2000 median income of \$61,250. The borrowing power of the average household, based on the median income, could afford a home costing about \$210,000, increasingly rare in Sandwich as noted above. The affordability gap is then about \$110,000 - the difference between the price of the median priced home and what a median income household can afford. The affordability gap is \$156,000 if the analysis focuses on those low- and moderate-income households earning at or below 80% of area median income, or \$48,250 for a family of four, who are able to afford a house costing no more than \$164,000. This group is virtually shutout of the private sales market as there are no listings that are currently affordable at this income level.

The following table presents a range of homes that sold during 2002 from a small, affordable home along Route 130 to a slightly larger home affordable to a household earning median income, to larger more expensive homes, including historic and new properties, that are priced well beyond the means of most existing year-round Sandwich residents.

Affordability of Existing Housing Prices

House Type	Price	Annual Income Required ⁵
2 bedroom, 1 bath, no garage located on Route 130 and built in 1986	\$199,000 (list price) \$190,000 (sales price)	\$56,000
3 bedroom, 2 baths, no garage, located on Bramblebush Drive and built in 1974	\$259,900 (list price) \$254,000 (sales price)	\$75,000
3 bedroom, 2 baths, 2-car garage, located on Lakeshore Drive and built in 1984	\$299,900 (list price) \$289,000 (sales price)	\$85,000
4 bedrooms, 3 baths, 2-car garage, located on Webster Avenue and built in 1976	\$459,900 (list price) \$430,000 (sales price)	\$126,000
Six bedrooms, 6 baths, 2-car garage, located on Tupper Road and built in 1750	\$699,700 (list price) \$680,000 (sales price)	\$199,000
Four bedrooms, 3 ½ baths, 2-car garage on Tamarack Lane and built in 2002	\$849,900 (list price) \$845,000 (sales price)	\$247,000

Source: Multiple Listing Service, May 16, 2003

In regard to rentals, the gross median rent of \$783 requires an income of \$31,320, not affordable to at least 20% of Sandwich residents. Local realtors indicate, however, that rents are actually much higher ranging from about \$1,200 to \$2,500 per month. To afford the rent at the lowest end of this range, \$1,200, would require an income of \$45,000, suggesting that households earning at 80% of median income could afford to rent at the lowest end of the rental market based on realtors' listings. Because there is such high demand for seasonal rentals, it is becoming increasingly difficult for individuals and families to secure year-round rental housing much less affordable permanent rental housing.

While current housing market data tells us that the great majority of town residents cannot afford the median house price of \$320,000 and only about one-third of town residents can afford rents at the lower end of the price range (\$1,200 per month), it is also useful to identify numbers of residents who are currently living beyond their means due to their current housing costs. The 2000 census provides data on how much households spend on housing whether for ownership or rental. Such information is helpful in assessing how many households have affordability problems, which are defined as spending more than 30% of their income on housing. Based on 1999 data, the census indicated that more than a quarter of the homeowners in Sandwich are spending 30% or more of their income on housing, 18.9% spending more than 35%. In

⁵ Figures based on 95% financing, interest of 6.5%, 30-year term, annual property tax rate of \$11.79 per \$1,000, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated @ 0.3125 of loan amount.

regard to the renters, 28.1% of renters paid 30% or more on housing and 22.7 paid more than 35% of their income on rent. *This data suggests that at least a quarter of Sandwich residents are currently living in housing that is by common definition beyond their means and unaffordable.*

The census provides additional data on cost burdens however the figures have not yet been updated and are still based on 1990 data. This data indicates that of all households, 34% had some housing cost problems. Further breakdowns of this data indicates that about one-third of very low income renters, earning at or below 30% of area median income, experienced housing affordability problems, most likely because they qualified for housing assistance. On the other hand, almost all very low-income owners had housing affordability problems, two-thirds with severe cost burdens, spending more than 50% of their income on housing. As incomes rise, the renters increasingly experienced cost burdens, as they became less eligible for subsidies, and the cost burdens for owners decreased. However, even those earning between 80% and 95% of area median income encountered significant cost burdens, with almost half of both renters and owners with some problems, 9% with severe problems.

C. Affordable Housing Inventory

Of the 7,574 year-round housing units in Sandwich based on DHCD estimates as of April 24, 2002, only 271 units or 3.6% have been determined to be affordable by the Commonwealth of Massachusetts. The State has ruled that if a municipality has less than 10% of its year-round housing stock set-aside for low- and moderate-income residents, it is not meeting the regional and local need for affordable housing. Not meeting this affordability standard makes the locality vulnerable to a state override of local zoning if a developer wants to build affordable housing through the comprehensive permit process.⁶ If Sandwich were to reach the state standard, based on current DHCD numbers, it would have to convert another 486 units of existing housing into subsidized housing. While most nearby communities have yet to meet this 10% standard, almost all are doing better than Sandwich (Barnstable – 4.70%, Bourne – 4.82%, Brewster – 4.57%, Falmouth – 3.65%, Orleans – 7.72%, Provincetown – 6.55%).

The above numbers, however, do not take into account population and housing growth, and the fact that the 10% figure is a moving target – DHCD's 10% goal will be updated with the 2010 census, therefore as more units are produced the higher the 10% state target. Given housing growth since 2002 and recently approved developments that include affordable housing, the total year-round housing figure is currently about 8,000 units. Therefore, the 271 units that are eligible to be counted as part of Sandwich's Affordable Housing Inventory now reflect 3.4% of the year-round housing stock.

There are currently an additional 80 units in the affordable housing development pipeline that if completed will bring the count to 351 units or 4.6% of the year-round housing

⁶ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households – defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income – by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

stock leaving an existing gap of about 406 units to meet the 10% state target. Given projected build-out under current zoning, the Town projects another 2,000 units towards a total of 10,000 residential units suggesting that the gap to meet the state's 10% goal into the future is approximately 650 units, representing an exceedingly ambitious task.

Recent changes to Chapter 40B allow communities to reject comprehensive permit applications if the Town has a state-approved affordable housing plan in place and is making progress towards its production goals of at least .75% new units produced per year, referred to as a Planned Production Program. These guidelines suggest that Town-sponsored development of approximately 60 units per year including "friendly" Chapter 40B developments and other supported development projects would enable the Town to reject new comprehensive permit applications. Recommendations from the Governors' Chapter 40B Task Force include a reduction of this Planned Production Program requirement to .5% of the existing year-round housing stock per year, reducing the annual production goals to 38 units.

To be counted as affordable, housing must be dedicated to long-term occupancy of income-eligible households through resale restrictions or affordable rental agreements. The following table presents the income limits for the affordable units based on the 2003 HUD guidelines for Barnstable County directed to those earning at or below 80% of area median income adjusted by family size.

**Affordable Housing Income Limits
Based on 80% of Area Median Income**

Number of Persons in Household	Income Limit
1	\$33,750
2	38,600
3	43,400
4	48,250
5	52,100
6	55,950
7	59,800
8	63,700

Using these income guidelines a family of four could afford to purchase a house for no more than \$164,000⁷ and rent for a maximum of about \$1,200 a month⁸ Based on the housing market information described above, such purchase prices and rents are increasingly rare in Sandwich, and the current housing market is significantly limited to those earning below the median income much less to low- and moderate-income households. Recent home sales indicate that there were no sales at or below \$164,000, suggesting that those earning at or below 80% of area median income are virtually shutout of the current homeownership market.

⁷ Based on 95% financing, interest of 6.5%, 30-year term and annual property tax and insurance costs of \$2,100.

⁸ Assumes that a tenant should pay no more than 30% of gross income on rent and annual utility costs of \$1,500.

1. Current Inventory

Of the 271 units that are currently considered affordable by the State, 98 units are owned and managed by the Sandwich Housing Authority including the following:

- *Hansen Village*
This 48-unit project incorporates four different state programs and agencies at one site including Chapter 667 for elderly and disabled residents and Chapter 689 Special Needs funding through the Department of Mental Health and Department of Mental Retardation. The project is designed in a village community setting and incorporates an eight-bedroom, single-story house that provides congregate living for its elderly or disabled residents.
- *George Fernandes Way*
This family development provides housing for 12 low-income families in a small neighborhood community with rent based on 25% of monthly income. The project was developed in 1989 through state Chapter 705 funding and includes a combination of two- and three-bedroom units in four buildings.
- *Forestdale Houses*
In 1974 the Housing Authority purchased a single-family home in the Forestdale section of Sandwich to provide housing for a low-income family, which it continues to own and manage. Another house was financed by HUD and is included in the Affordable Housing Inventory.
- *Osprey Lane*
This project is the Sandwich Housing Authority's most recent development, developed jointly with The Community Builders and owned by the TCB Sandwich Limited Partnership with the Housing Authority as managing agent. The project involves 36 units of one- to three-bedroom apartments for those earning at or below 60% of area median income or \$32,600 for a family of three. The project is currently occupied.

It is important to note that the Sandwich Housing Authority has a huge waiting list of almost 1,000 applicants with three to five year waits for available units. Because the demand by Sandwich residents is so high, nonresidents who receive lower priority never get access to available units.

Another 236 units, 74 of which will be affordable, have been created or recently approved through the state's Homeownership Opportunity Program (HOP), Local Initiatives Program (LIP) or Housing Starts including the following specific developments:

- *Cranberry Village*
This project includes 16 total units developed through the state's Homeownership Opportunity Program (HOP) in 1989, of which 8 units were dedicated as affordable.
- *Ryder Woods*
This development was also produced through the state's Homeownership Opportunity Program (HOP) in 1990, with 79 total units of which 26 are affordable.

- *Sherwood Forest*
In 1996 this project was completed involving the development of 36 total units through the Local Initiatives Program (LIP) with 9 of these units created as affordable under the Chapter 40B guidelines.
- *Granite Ridge*
This project is being developed by Champion Builders, which is using MassHousing's Housing Starts/comprehensive permit process. The project is located in East Sandwich and involves the creation of 32 new homes including 8 affordable homes for first-time homebuyers. The comprehensive permit was issued in February 2003, and occupancy is expected in early 2004.
- *Woodside Village*
This project, brought forward by McShane Construction, was approved by the Board of Appeals in October 2003. The development will provide 31 homeownership units, 12 affordable to those at 80% of median, 11 available to those at 120% of median income and 8 market rate units. It will be developed as a cluster subdivision under a comprehensive permit. Construction has commenced, and the project will be completed in 2004.
- *Brightside Lane*
Designed as starter homes or dwelling units for single householders, this townhouse design project was approved by the Board of Appeals in October 2003. The Project is comprised of modular townhouses including a total of 42 units, 11 of which that will be available to those at 80% of median income.

Sandwich has had another 94 affordable units created as affordable through the HUD Section 202 Program, funding directed to the production of rental housing for seniors. Projects include the following:

- *Shawme Heights 1*
This project was built in 1981 and includes 44 total units all of which are affordable to income-eligible seniors.
- *Shawme Heights 2*
This second phase broke ground in 2001 and was occupied in 2003 with 50 affordable units for seniors.

An additional 5 scattered site units were financed through the Rural Housing Service's Section 502 Home Mortgage Program in 1979. Refer to Attachment 1 for a table describing the Affordable Housing Inventory and Attachment 2 for the map offering the geographic locations of existing and potential affordable housing developments.

In addition to housing production, the Sandwich Housing Authority manages rental assistance programs through the Section 8 Program with 35 to 40 certificates/vouchers, Massachusetts Rental Voucher Program (MRVP) with 2 vouchers, and Affordable Housing Voucher Program (AHVP) with 2 vouchers. These programs subsidize the rents of qualifying households who locate units in privately owned apartments. Because the rental housing supply is limited in Sandwich and becoming increasingly unaffordable, some rental voucher recipients are forced to look beyond Sandwich for a qualifying apartment. The

Housing Assistance Corporation (HAC) has a Cape-wide waiting list of 1,200 applicants for Section 8 rental assistance, of which 44 are currently residents of Sandwich.

2. Proposed Projects

There are a number of projects in the development pipeline that have either been approved by the Zoning Board of Appeals yet appealed by the developers to the state's Housing Appeals Committee or recently submitted that will potentially create 80 affordable units including the following:

- *Dana's Field*
This rental project of 63 units proposes to serve as a transitional work program for formerly homeless individuals. There is also an agricultural component to this proposal. The applicant is currently appealing some of the comprehensive permit conditions of approval to the state's Housing Appeals Committee. It is unknown when construction might commence, as there are two appeals by abutters that have been filed with Superior Court.
- *Beech Wood Grove*
This project consists of one existing single-family dwelling on several merged lots. The proposal is to add two more dwellings to these properties and through MassHousing's Housing Starts Program make one of the units affordable to households at or below 80% of area median income. This project brings forward a small-scale approach to scattered-site affordable housing that is desirable.
- *Fleet Project*
This project involves a parcel that was donated by a former Selectman for the purpose of creating 16 single-family homes, all of them to be affordable to first-time homebuyers earning within 80% of area median income. The project will be developed by the Housing Assistance Corporation through the Town's new Affordable Housing Conditional Density Bylaw. A significant modification to the Osprey Lane comprehensive permit is required for road access, and it is anticipated that the project will be ready for construction in 2005.

If these projects are successfully completed another 80 units would be contributed to Sandwich's Affordable Housing Inventory bringing the number of affordable units up to 351 and the percentage of the year-round housing stock that is affordable up to 4.6% with at least 406 additional units required to meet the 10% state affordable housing standard based on recent housing growth. If recent recommendations by the Governor's Chapter 40B Task Force and State Legislature's Joint Committee on Housing and Urban Development are approved, an additional 36 units would qualify for inclusion in the Town's Affordable Housing Inventory, bringing the total number of affordable units up to 387, representing 5.1% of the year-round housing stock.

D. Gaps Between Existing Housing Needs and Current Supply

As the above affordability analysis indicates, gaps remain between what most current residents can afford and the housing that is available. In fact the current housing market is substantially limited to those earning below the median income and not accessible to low- and moderate-income households.

The build-out analysis that was performed in the mid-1990's for the Town was a parcel-by-parcel analysis based on 1990 Assessor's and census data. The analysis projected that Sandwich will see at least another 2,000 housing units for a total build-out of about 10,000 units. These projections assumed current zoning, that new unit production would involve year-round housing, and that the business districts would incorporate some mixed-use development. Nevertheless, this analysis means that in order to meet the 10% state standard, approximately one-third of all new housing units produced, or about 650 of the 2000 units, must be made affordable. It is unlikely that if this is even possible, the affordable housing that is produced will be sufficient to meet existing need and demand, much less potential future needs, based on the following indicators:

- 1,120 owners paid more than 35% of income on housing;
- 196 renters paid more than 35% of income on housing (63 not computed);
- There were 611 individuals and 120 families that were classified as living in poverty including 109 elderly individuals;
- More than 2,400 individuals claimed a disability that prevented them from working and almost 900 were 65 years of age or older;
- 302 households had incomes of less than \$10,000; and
- The Sandwich Housing Authority has a huge waiting list of almost 1,000 applicants with three to five year waits for available units.

There is therefore a sizable population of those who are seniors, have special needs and/or have very low incomes who have significantly reduced capacity to secure decent, safe and affordable housing. A broader range of housing options is required to meet these varied needs.

It will be a great challenge for Sandwich to create enough affordable housing units to meet the state's 10% affordable housing standard as well as the needs of its existing residents, particularly in light of current constraints to new development including the following:

- *Zoning*

As is the case in most American communities, a zoning by-law is enacted to control the use of land including the patterns of housing development. Typically zoning has increasingly embraced large-lot subdivisions to maintain low housing densities thus severely constraining the construction of affordable housing. Sandwich is no exception, with the minimum lot size of between 40,000 square feet to two full acres, a result of major zoning changes enacted in the 1970's and 1980's to discourage development, which instead guided the explosive growth that has occurred throughout the last couple of decades. The Town has added several provisions in its Protective Zoning By-law to allow higher densities through accessory apartments or density bonuses based on specific regulations and requirements. While these bylaws have not resulted in significant numbers of affordable units to date, the Town has recently approved a revision to its previous Affordable Housing Conditional Density Bylaw that offers greater incentives to developers to produce some affordable housing. The Town is also exploring other opportunities to promote affordable housing opportunities in Sandwich through zoning amendments such as further mixed-use development and possibly a mechanism called a Transfer of Development Rights.

- *School Enrollment*
Given the high rate of population growth, especially the increase in number of families, Sandwich has been challenged by expanding school enrollments. Consequently, many residents voice concerns about the prospects of building more housing that will require new schools, likely leading to increases in property taxes and concerns about where these new facilities can be located. The Master Plan, which was prepared in May of 1996, projected that a new school or major additions of existing schools will likely be required due to population growth.
- *Environmental Concerns*
Most Cape residents are aware of the Cape's natural treasures and are rightly concerned about conserving the environment. The Cape has very active conservation groups that promote the preservation of open space and are skeptical about the impacts of new development. Additionally, regulations to protect the environment (e.g., wetlands, aquifers, septic systems), significantly constrain new building activity reducing the amount of buildable land and increasing the time and costs of new development.
- *Infrastructure*
A major constraint to new development is the lack of infrastructure, Town water and sewer services in particular. Sandwich has no sewer service, and while two-thirds of the town does have access to water service, there are zones of nitrogen sensitivity throughout town that restrict density and the northeast corner of Sandwich has no water service at all. The reliance on wells, in some areas, and septic systems throughout town will continue to significantly restrict development, currently limiting some higher densities in commercial centers that could provide a wider range of residential and commercial opportunities in Sandwich. The higher costs of dealing with these infrastructure constraints will be a continued challenge to affordable housing development.
- *Availability of Subsidy Funds*
Financial resources to subsidize affordable housing preservation and production as well as rental assistance have suffered budget cuts over the years making funding more limited and extremely competitive. Communities are finding it increasingly difficult to secure necessary funding and must be creative in determining how to finance projects and tenacious in securing these resources.
- *Community Perceptions*
Affordable housing, subsidized housing, low-income housing, projects, Section 8, etc. – these terms can conjure perceptions from local residents of potential neglect that undermine property values, increase crime, and provoke tensions concerning class and race. If one has not directly witnessed the benefits that affordable housing can bring to a community, images of distressed high-rise apartments might instead emerge. On the other hand, with soaring real estate prices, community perceptions are beginning to tilt towards the realization that affordable housing is indeed needed in the community. More people are recognizing that the new kindergarten teacher, the waitress at the favorite restaurant, grown children, or the elderly neighbor may not be able to afford to live or remain in the community. It is this growing awareness and impending 40B developments, which are spurring communities to take a more proactive stance and sponsor or support affordable housing projects.

E. Community Perspectives

In addition to research into housing characteristics and market conditions, the planning process also incorporated outreach to obtain input from residents and local housing professionals on the limitations and opportunities for affordable housing in Sandwich. A Report on Community Perspectives was prepared that compiled information received from the Community Meeting that was held on Saturday, April 5, 2003 and a series of interviews. These interviews were conducted with individuals who the Community Affordable Housing Plan Team thought would provide useful input into the strategies to be included in the Community Affordable Housing Plan. There were a number of key actions that surfaced in the Community Meeting and through the interviews that have received wide local support and have worked well in comparable communities. These are important to consider for inclusion in the Community Affordable Housing Plan for Sandwich and are highlighted in the following:

- *Sponsor Community Education and Outreach:* Provide community education on the issue of affordable housing to reduce misconceptions and to promote greater support for affordable housing efforts, new resources and fair housing.
- *Create Mixed-Use Development:* Encourage opportunities for mixed-use development that incorporates commercial and residential uses. This is particularly important along main commercial corridors.
- *Promote Accessory Apartments:* Review prospects to encourage the creation of accessory units and look at Barnstable's Amnesty Program as a possible model.
- *Establish a Non-profit Organization:* Form a non-profit organization to provide additional local leadership on housing issues, raise funds and reach out to existing owners for donated land and other opportunities.
- *Convert Large Residential Properties into Affordable Units:* Divide large houses into separate affordable units and design incentives to encourage such redevelopment activity including tax relief and life estates. One suggestion was to enable owners who were willing to sell their homes at a significant discount to live rent-free in the house for life.
- *Increase Housing Options:* Create greater diversity in the housing stock by developing new housing opportunities for seniors, young households, empty nesters, etc. through a combination of rental and homeownership along all income levels. There was significant support for mixed-income rental housing, due largely to the relative lack of this type of housing in Sandwich and high demand, as documented by the Housing Authority's wait list of almost 1,000 applications.
- *Make New Resources Available:* Explore the availability of new resources to support affordable housing including the donation of public land, Community Preservation Act, tax incentives, private donations, special purchase pools, as well as programs and services from non-profit organizations such as the Housing Assistance Corporation, Habitat for Humanity and the Sandwich Housing Authority. The Town should consider the creation of an Affordable Housing Fund to control these resources and establish a policy for Town-owned land donations. It was also recommended that the Town pursue partnerships with the private sector, lending institutions in particular, to leverage limited public resources.
- *Preserve Existing Affordable Housing Stock:* Insure that all units included in the Affordable Housing Inventory remain affordable and implement strategies to limit the conversion of the more affordable stock into more expensive housing (e.g.,

preserving smaller more affordable homes in Sandwich creating disincentives for tear downs, helping seniors remain in their own homes).

- *Create an Over 55 Community:* Provide greater housing options for seniors including the possible creation of an over 55 community, or senior residential development, that could incorporate mixed incomes, incorporating some affordable housing perhaps through well-designed modular construction. The over 55 community would add to the tax rolls without putting additional burdens on public schools.

F. Local Housing Organizations

Sandwich has several housing agencies and organizations available to help support the production of affordable housing including the following:

1. Sandwich Housing Authority

The Sandwich Housing Authority was incorporated in 1960 to produce housing for low-income residents. Today it owns and manages affordable housing units at three project sites representing approximately 100 units and has the capacity to undertake additional housing production to meet local needs.

2. Local Housing Committee

The Sandwich Housing Committee is a committee formed by the Town of Sandwich to support local housing needs that reports to the Board of Selectmen. The Committee is currently organizing a tax-exempt entity that will be able to accept housing donations – both funds and property – and undertake a variety of other housing related activities.

3. Barnstable County HOME Consortium

This Consortium includes all municipalities in Barnstable County and provides federal HOME Program funding to support the financing of a wide variety of housing activities. These funds are available to all towns participating in the Consortium including Sandwich.

4. Housing Assistance Corporation (HAC)

The Housing Assistance Corporation (HAC) has proclaimed its mission to “promote and implement the right of all people on Cape Cod and the Islands to occupy safe and affordable housing”. This non-profit organization is working throughout the Cape as a sponsor of affordable housing development, including the proposed Dana’s Fields Project in Sandwich. In addition to serving as a non-profit developer, the organization has a wide range of financial and educational resources available for renters and first-time homebuyers.

5. Cape Affordable Housing Loan Consortium

The Cape Affordable Housing Loan Consortium is a group of local banks that provide low interest loans for the purpose of providing affordable housing. The Consortium has sponsored projects in many communities throughout the Cape.

6. Habitat for Humanity

Habitat for Humanity is an ecumenical, non-profit Christian ministry dedicated to building simple, decent homes in partnership with families in need that has grown over the past two decades into one of the largest private homebuilders in the world. The organization has almost 1,600 U.S. affiliates and over 2,000 affiliates

worldwide, including one on the Cape that has been able to build new homes for first-time homebuyers through donated land, materials, labor and funding as well as other special financing strategies.

7. Cape Cod Commission

The Cape Cod Commission was created as the regional planning agency for the Cape. In addition to coordinating a wide range of planning and policy activities, the Commission administers the Technical Assistance Program (TAP) that provides consultants to assist communities in identifying housing assistance resources. The Commission also manages the allocation of some housing subsidy funds that can be made available to communities to support affordable housing efforts including the oversight of HOME Program funds on behalf of the Barnstable County Consortium of communities.

IV. PROPERTY INVENTORY

The following information represents a work in progress that will be fine-tuned on an ongoing basis in coordination with other Town Boards and Committees. A map of these potential affordable housing sites is included in Attachment 2.

A. Publicly-owned Properties

The Director of Planning & Development and Local Housing Committee have identified a number of parcels that are owned by the Town, portions of which are likely to be suitable for affordable housing development, and another state-owned parcel that should be considered for affordable housing purposes.

Publicly-owned Properties with Potential for Affordable Housing Development

Parcel*	Nitrogen Sensitive	Constraint	Type	Map Parcel	Total Acres	Housing	Projected Total Units/ Affordable Units
Town Parcel 1	Yes	Topography	Ownership	4/42, 43	1	1	4/2-4
Town Parcel 2	Yes	Wetland	Ownership	3/48, 49	10	8	32/16-32
Town Parcel 3	No	Topography	Ownership	25/78	8	8	32/16-32
State Parcel Parcel 5	Yes	None	Ownership	13/166	21	21	84/42-84
Town Parcel 8	Yes	Other uses	Rental	17/138	57	10	40/20-40
Town Parcel 9	Yes	Other uses	Rental	17/196	83	5	20/10-20
Total					180	53	212/106-212

* Parcel numbers are the same as recorded on the GIS map included as Attachment 2.

The above projections were based on the following assumptions:

- Parcels located in water resource districts that are nitrogen sensitive are estimated to include four (4) units per acre.
- Parcels located outside of nitrogen sensitive areas are projected to include an average of eight (8) units per acre unless topography suggests fewer units.
- Sandwich has decided to develop affordable housing that will be harmonious with the surrounding community. Therefore, the Town proposes to put somewhat higher density rental housing closer to commercial or in-town areas and homeownership units in the more outlying areas.
- Sandwich has determined that it wants to maximize the number of affordable units per project, and depending upon the project location, objectives, and feasibility estimates that 50% to 100% of the new units will be available as affordable. However, another housing goal is to provide housing for those along the full range of incomes, and on average approximately 10% of the units will be targeted to more moderate and middle income households that will enable the town to provide housing for those households earning above 80% of area median income but priced out of the current housing market. Additionally, market rate units will provide internal subsidies to help support project feasibility.

- The number of acres set-aside for housing involves an estimate of the buildable area and in recognition of town concerns for maintaining some amount of open space in most developments, as well as the need for infrastructure, including water and sewer treatment facilities, other uses on site and other topographical constraints.

B. Private Properties

The Local Housing Committee has also identified privately owned properties that might be appropriate for incorporating some affordable housing development. The same criteria for projecting numbers for the Town-owned properties were used in this analysis. A list of these properties, without reference to current ownership, is provided in the following table:

Privately-owned Properties with Potential for Affordable Housing Development

Parcels	Nitrogen Sensitive	Constraint	Housing Type	Parcel Acres	Housing Acres	Projected Total # Units/ # Affordable units
Parcel 4	No	Pond	Ownership & Rental	72	18	146/73-146
Parcel 6	Yes	Pond	Ownership	10	10	40/20-40
Parcel 7	Yes	None	Rental	17	17	68/34-68
Parcel 10	Yes	None	Rental	44	44	44/22-44
Parcel 11	Yes	None	Rental	25	3	12/6-12
Parcel 12	No	None	Ownership	23	23	46/23-46
Parcel 13	No	None	Ownership	53	5	40/20-40
Parcel 14	No	None	Ownership	1.5	1.5	12/6-12
Total				245.5	121.5	408/204-408

Because Town-owned properties are limited, most of the affordable housing must come from privately owned parcels. The Town should seek opportunities to work cooperatively with existing owners or for profit and non-profit developers to develop these properties to incorporate affordable housing. In fact, the Town has received inquiries from potentially interested developers on a number of the parcels included above, and parcel #11 may be moving forward in the near future, including affordable units to be owned and managed by the Sandwich Housing Authority as part of a mixed-use development including a Shaw’s supermarket.

In addition to the parcels listed above, it is likely that developers will continue to pursue comprehensive permit applications to produce housing that includes at least one-quarter of the units as affordable. In fact 97% of the affordable housing that has been built in Sandwich has used the comprehensive permit process to override zoning requirements. Town officials also expect that the new Conditional Density Affordable Housing Bylaw will serve as an incentive towards the creation of new affordable units. It will be incumbent on the Town, primarily through the Director of Planning and Development, to negotiate with these developers using the Local Housing Committee as an additional resource for the review of project proposals and to insure, to the greatest extent possible, that projects satisfy local needs and requirements.

V. AFFORDABLE HOUSING PLANNED PRODUCTION GOALS

The Massachusetts Department of Housing and Community Development (DHCD) is administering the Planned Production Program in accordance with regulations that enable cities and towns to prepare and adopt an affordable housing plan that demonstrates production of an increase of .75% over one year or 1.5% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.⁹ If DHCD certifies that the locality has complied with its annual production goals, the town or city may, through its Zoning Board of Appeals, deny comprehensive permit applications.

Using the strategies summarized under the Housing Action Plan described in Section VI. A through D., the Town of Sandwich has developed a Planned Production Program to chart affordable housing production activity over the next decade. The production goals are based on these assumptions:

- At least fifty percent (50%) of the units that are developed on Town-owned parcels will be affordable to households earning at or below 80% of area median income and at least 10% affordable to those earning up to 120% or 150% of area median income, depending on project feasibility.
- Unit projections are responsive to nitrogen sensitive areas that restrict density to no more than four (4) units per acre unless water treatment facilities are built on site, an expensive proposition that has limited applicability on smaller sites. In other areas the projected number of units is based on eight (8) units per acre.
- Because many of the sites identified for development are privately owned, production will involve projects sponsored by private developers through the “friendly” comprehensive permit process or the recently amended Affordable Housing Conditional Density bylaw. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests.
- The numbers of affordable units are projected based largely on the criteria included in the town’s Affordable Housing Conditional Density bylaw and between 50% to 100% of the new units will be available as affordable depending also upon the project location, objectives, and feasibility. However, another housing goal is to provide housing for those along the full range of incomes, and whenever a project is not 100% affordable, on average approximately 10% of the units will be targeted to more moderate and middle income households that will enable the town to provide housing for those households earning above 80% of area median income but priced out of the current housing market. Additionally, market rate units will provide internal subsidies to help support project feasibility.
- The projections involve a mix of rental and ownership opportunities, targeting rental development closer to commercial centers and homeownership towards the more outlying areas. The Town will work with private developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals to offer a wider range of housing options for residents.

⁹ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

PRODUCTION GOALS

Year 1 – 2004

Granite Ridge Project = 8 affordable units

Comprehensive permit approved in February 2003; occupancy permits to be approved in 2004

Woodside Village = 12 affordable units; includes 11 middle-income units available to those at 120% of area median income and 8 market units; comprehensive permit issued in October 2003; occupancy permits will be issued in 2004

Brightside Lane = 11 affordable units

Comprehensive permit issued in October 2003; occupancy permits will be issued in 2004

Dana's Field = 63 units

At HAC; comprehensive permit is expected to become final in 2004

Beech Wood Grove Project = 1 unit

Comprehensive permit expected to become final in 2004

Subtotal = 95 units

Year 2 -- 2005

Peters Pond cottages = 8 units

Accessory apartments = 5 units

Private development = 44 units/"Friendly" comprehensive permit projects or Affordable Housing Conditional Density development (includes 16 units for Fleet project)

Subtotal = 57 units

Year 3 -- 2006

Town-owned property #1 = 4 units

Town-owned property #9 = 10 to 20 units depending on project feasibility

Accessory apartments = 5 units

Merged lot bylaw = 2 units

Private development = 40 units/"Friendly" comprehensive permit projects or Affordable Housing Conditional Density development

Subtotal = 61 to 71 units

Year 4 -- 2007

Town-owned property #2 = 32 units

Private property #11 (Shaw's) = 12 units

Accessory apartments = 5 units

Merged lot bylaw = 2 units

Private development = 20 units/"Friendly" comprehensive permit projects or Affordable Housing Conditional Density development

Subtotal = 71 units

Year 5 – 2008

Town-owned property # 8 = 20-40 units depending upon project feasibility

State-owned Harlow Road parcel = 42 units

Subtotal = 62-82 units

Subtotal Years 1 through 5 = at least 346 units or an average of 69 units annually

Year 6 -- 2009

Accessory apartments = 5 units
Merged lot bylaw = 2 units
Private development = 40 units/"Friendly" comprehensive permit projects or Affordable
Housing Conditional Density development
Conversion of existing housing stock for affordable housing = 10 units
Tax exemption for year-round rental units = 5 units
Subtotal = 62 units

Year 7 -- 2010

Town-owned property #3 = 32 units
Accessory apartments = 5 units
Merged lot bylaw = 2 units
Private development = 20 units/"Friendly" comprehensive permit projects or Affordable
Housing Conditional Density development
Inclusionary zoning = 5 units
Subtotal = 64 units

Year 8 -- 2011

Accessory apartments = 5 units
Merged lot bylaw = 2 units
Private development = 40 units/"Friendly" comprehensive permit projects or Affordable
Housing Conditional Density development
Tax exemption for year-round rental units = 10 units
Inclusionary zoning = 5 units
Subtotal = 62 units

Year 9 -- 2012

Accessory apartments = 5 units
Merged lot bylaw = 2 units
Private development = 40 units/"Friendly" comprehensive permit projects or Affordable
Housing Conditional Density development
Tax exemption for year-round rental units = 10 units
Inclusionary zoning = 5 units
Subtotal = 62 units

Year 10 -- 2013

Accessory apartments = 5 units
Merged lot bylaw = 2 units
Private development = 40 units/"Friendly" comprehensive permit projects or Affordable
Housing Conditional Density development
Tax exemption for year-round rental units = 10 units
Inclusionary zoning = 5 units
Subtotal = 62 units

Total = 658 units or an average of 65 units annually over the decade

A summary chart of these Planned Production goals is included as Attachment 4.

VI. HOUSING ACTION PLAN

The information summarized in the preceding sections provides the foundation upon which the actual housing strategies are based, outlined in Two and Five-year Action Plans. The Housing Action Plan is also informed by earlier efforts at community planning directed to increasing the supply of affordable housing in Sandwich including:

- The 1998 document prepared by Ted Malone, the Executive Director of Community Housing Resources, Inc., who was hired as a Technical Assistance Program consultant by the Cape Cod Commission;
- The HUD CPD Consolidated Plan prepared by Ed Allard of the Cape Cod Commission for the Barnstable County HOME Consortium in May of 1999; and
- The Sandwich Local Comprehensive Plan prepared by the Sandwich Local Planning Committee in April of 1996.

The proposed strategies are also based on important development goals and objectives that should serve as guiding principles in selecting project sites, determining the type of development, and identifying priorities. As described in Section II.B, these goals and objectives include:

Goals

- To provide the regulatory framework to encourage the creation of adequate and affordable housing for all residents in Sandwich along the full range of incomes, and
- To maximize local interest and investment in affordable housing.

These two goals were based on the understanding that the Town should be promoting affordable housing to satisfy the full range of local needs – not just to satisfy the 10% Chapter 40B standard – and that it was important for local residents to understand this commitment and, to the greatest extent possible, be involved.

In addition to these goals, the Community Housing Plan Committee agreed that a range of objectives would serve as the basis for the recommended strategies included in the Community Affordable Housing Plan:

Objectives

- Provide a wide range of housing alternatives to meet diverse housing needs,
- Preserve the existing affordable housing stock,
- Leverage other public and private resources in the preservation and production of affordable housing to the greatest extent possible,
- Insure that new housing creation is harmonious with the existing community and recognize that there is no replacement for good design,
- Avoid targeting development to areas that are ecologically sensitive,
- Promote diversity and the stability of individuals and families living in Sandwich,
- Encourage the integration of smart growth principles in the development of housing, and
- Insure that Town Government is an active partner in the development of affordable housing.

The strategies outlined below are based on the above planning studies, the context established by the Housing Needs Assessment, recent interviews with local planning and real estate professionals, and the experience of other comparable localities on Cape Cod and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Planning and Regulatory Reform, Building Local Capacity, Housing Production, and Housing Preservation and timeframe for implementation – Two-Years or Five-Years. The Two- Year timeframe suggests those strategies that will involve action within the next two years, many involving immediate attention. The Five-Year actions are those that are not top priorities or will take a longer time to implement. All of these actions may be considered as tools that the town may use to promote the creation of new housing opportunities, each to be applied to particular circumstances and providing a powerful group of resources when available in combination. A summary of these actions is included as Attachment 5.

A. Planning and Regulatory Reform Strategies

The Town of Sandwich is making considerable progress in the area of planning and regulatory reform as evidenced by the following recent achievements:

- *Historic Preservation Plan*
Through a partial grant from the National Park Service, U.S. Department of the Interior, and the Massachusetts Historical Commission, the Town of Sandwich commissioned a Historic Preservation Plan that was completed in June 2002. The Plan, prepared by Neil Larson & Associates, provides a wealth of information on Sandwich’s historic needs and resources as well as a series of goals, objectives and action plans to preserve these important resources. Major goals are to increase public awareness of and support for Sandwich’s historic resources, to increase preservation and documentation activities, to protect the historic character of Sandwich, and to strengthen heritage tourism activities. The action having the greatest relevancy to affordable housing issues includes the continued need to respect the scale, style and materials of historic homes, even in new development, to preserve the historic character of the town. Although not directly referenced in the Plan, there may be some future opportunities to redevelop historic properties into affordable or mixed-income housing as well.

- *Affordable Housing Conditional Density Development*
In May of 2003, Sandwich Town Meeting approved an Affordable Housing Conditional Density Development Bylaw that revised a previous zoning bylaw that went unutilized because it was unwieldy, complicated and did not offer adequate incentives. This new amendment simplifies the Town’s Zoning Bylaw by providing requirements for increased density (units per acre) based on the percentage of affordable units and type of housing as follows:

Homeownership	
4 units per acre	100% affordable units
2 units per acre	50% affordable units
Rental/1 bedroom units or units deed restricted to age 55 and older	
8 units per acre	50% affordable units
Rental/2 bedroom units	
4 units per acre	50% affordable units

- *Property Inventory*
The Local Housing Committee has prepared an inventory of potential development sites for affordable housing that is summarized in Section IV.A. and B. above and mapped in Attachment 2.
- *Executive Order 418 Housing Certification*
In 2001 the State enacted Executive Order 418 to help communities plan for new housing opportunities for individuals and families across a broad range of incomes while balancing activities related to economic development, transportation, infrastructure improvements and open space preservation. This Executive Order has two parts – 1.) Provide technical assistance grants for planning and 2.) Establish a Housing Certification process. Housing Certification prescribes a range of housing-related activities towards which communities must demonstrate significant progress to obtain priority when applying for various state discretionary programs administered by the Executive Office of Transportation and Construction, Executive Office of Environmental Affairs, Department of Housing and Community Development, and the Department of Economic Development. Those communities that secure Housing Certification will receive a 10% scoring bonus when applying for these grant programs. Additionally, communities that have not attained Housing Certification are not eligible to receive some discretionary grant funds administered by the four agencies that are non-competitive, not scored, and/or are accepted on a rolling basis. Bottom-line is that communities that do not have Housing Certification will be significantly disadvantaged when applying for state funding. Sandwich has continued to receive Housing Certification, putting it in a good position regarding possible future state funding opportunities. This Housing Plan is a major component of the 2004 Housing Certification process.
- *Infrastructure Planning*
The Planning Office has been working with the Water District to reconcile build out analysis and coordinate planning to the greatest extent possible. This is a particularly important issue for housing, or any development for that matter, as planning for adequate water supply allows reasonable development for new housing.

In addition to the above, the following strategies are intended to serve as additional tools to support affordable housing development:

1. Evaluate Existing Zoning Bylaw to Assess the Need for Rezoning

Current Status: Throughout the United States zoning is the greatest constraint to affordable housing development. Given minimum lot sizes ranging from 40,000 to 60,000 square feet in residential districts and no area where multi-family housing can be built as-of-right, even the construction of a two-family house in Sandwich requires a special permit and is excluded from some residential districts. Sandwich should continue to revise or insert a number of affordable housing amendments into the Protective Zoning Bylaw to make affordable housing feasible within reasonable development constraints.

The Town has engaged a consultant to write a mixed-use, higher density zoning bylaw for the town's two major commercial zones. Density is somewhat constrained by the lack of infrastructure, sewer service in particular.

Another zoning change that might be considered includes adapting Provincetown's Growth Management Zoning Bylaw. This bylaw states that the Town will manage the rate of development to maintain an equilibrium between the total amount of development and the capacity of the facilities available for potable water, wastewater disposal and disposal of solid waste. The Provincetown growth cap applies to all new construction, including new structures and enlargement, which will result in an increase in the Title V flow of wastewater. Importantly this bylaw includes special provisions to promote affordable housing. Developers of affordable housing are asked to consult with the Provincetown Housing Partnership (PHP) early in the proposal process. When the PHP determines that the proposed development will meet the needs of the town, it will recommend to the Inspector of Buildings the award of Affordable Housing Permits for the proposed development. These permits confer priority or allow an exception such as a density bonus in exchange for projects that demonstrate the maximum feasible proportion of affordable units. To support this process, the Town has developed guidelines to be studied in advance of discussion between the developer and PHP that serve as minimum standards that the town would like to see in the proposed development.

Additionally, communities, Wellfleet for example, are adopting bylaws that allow additional structures to be built on a single lot if those accessory structures are to be used for affordable housing. While Sandwich has such a bylaw that allows the creation of moderate-income units, the by-law should be amended to also provide such units for those at or below 80% of median income. Other towns, such as Dennis, are allowing nonconforming lots that do not meet minimum lot requirements to be built upon by special permit from the Planning Board if they meet a number of conditions including the inclusion of deed restricted, affordable housing.

Next Steps: Review the Zoning Bylaw with the Planning Board, Local Housing Committee and other Town officials to develop useful amendments that will help support the growth of commercial areas and promote affordable housing. Draft the appropriate amendments that will require approval by Town Meeting.

Timeframe: Two-Year Action Plan

This process has begun and recommendations for rezoning should be available for action within a year's time. However, as the community changes over time, the Town should revisit the Zoning Bylaw on an ongoing basis, reforming local zoning as appropriate.

Resources Required: Improve local capacity for keeping zoning bylaws updated by hiring additional professional staff in the Planning & Development Office.

2. Adopt Inclusionary Zoning

Current Status: Inclusionary zoning is not included in Sandwich's Protective Zoning Bylaw. This mechanism has been adopted by many communities to insure that any new development project over a certain size would include a set-aside in numbers of affordable units or funding to support the creation of affordable housing. Most municipalities that have inclusionary zoning in place, one-third of the municipalities in the Commonwealth, are reaping the rewards of

these actions through the creation of actual affordable units or cash contributions to the locality for investment in affordable housing production.

Next Steps: The Local Housing Committee should review successful models for inclusionary zoning and determine how best to adapt it in Sandwich. Working with the Planning & Development Office, the Committee should prepare a zoning amendment for vote by Town Meeting.

Timeframe: Two-Year Action Plan

This process could be accomplished within the next year, ready for vote by Town Meeting in the spring of 2005.

Resources Required: Staff time from the Director of Planning & Development and volunteer time from the Local Housing Committee.

3. Establish an Amnesty Program for Accessory Apartments

Current Status: During the April 5th Community Meeting on the Community Affordable Housing Plan, participants voiced significant support for promoting accessory apartments, particularly apartments that would create affordable housing and be counted under the state-defined Affordable Housing Inventory. There was particular interest in the model program that the Town of Barnstable has implemented to enable those with illegal accessory units to come forward and receive necessary assistance to convert their units to legal use and be maintained, in the short-term at least, as affordable. This overall support was in light of a recognized number of illegal accessory apartments that some estimate to be approximately 100, that the Town is not assessing at market value and that may pose health and safety hazards. Barnstable also allows owners to create new accessory apartments through additions to existing homes or as separate buildings on site.

Sandwich should consider adopting an accessory apartment programs similar to the model implemented by the Town of Barnstable. Barnstable has processed approximately 60 units through its program. Key features of Barnstable's Program includes:

- a. The property is brought up to health and safety standards with subsidies available to assist owners with these improvements. An inspector is assigned to the Program from the Housing Authority.
- b. Applicants may select their own tenant provided tenants meet program requirements (within 80% of area median income). The monitoring agent regarding eligibility is the Housing Authority. When a unit becomes available, it must be listed with the Housing Authority and Housing Assistance Corporation.
- c. Leases have a minimum term of one year.
- d. Each year the applicant files an affidavit with the Housing Authority listing the rent charged and the income level of the occupants to verify compliance with Program requirements.
- e. The comprehensive permit is used to process the necessary approvals and insure inclusion in the Town's Affordable Housing Inventory and is not transferable without prior approval of the Hearing Officer or Zoning Board of Appeals.

- f. Barnstable now allows applicants to use a detached structure or build a new addition to their property for the purpose of creating an accessory unit.
- g. The average processing time for an application has been two and a half months.

Next Steps: The Director of Planning & Development in conjunction with the Local Housing Committee should adapt Barnstable's Amnesty Program to the Sandwich and develop an implementation plan. The major steps involved in implementation include the following:

- a. Adapt Barnstable's Town Ordinance for the Amnesty Program and secure approval. The intent of the Ordinance is to provide an opportunity to bring into compliance many of the currently unpermitted accessory apartments and to encourage the use of existing dwellings to create additional affordable housing. The Ordinance also states "it is the position of the Town of Barnstable that the most appropriate mechanism for allowing for the conversion of unlawful dwelling units to lawful units is found in GL c.40B, Sections 20-23, the so-called "Comprehensive Permit" program. The Ordinance also creates the position of a hearing officer within the Zoning Board of Appeals to expedite the processing of applications. Hearings are held once a month.
- b. Work with the Sandwich Housing Authority to develop capacity for operating the program, including enforcement activities.
- c. Prepare materials to support implementation of the Program including a Regulatory Agreement and Declaration of Restrictive Covenants; standard letters related to the processing of the comprehensive permit under the Local Initiatives Program (LIP) including notification letter to DHCD, letter requesting comments from local officials, site approval letter to owners, site approval notification letter to DHCD, and comprehensive permit decision letter to DHCD; Amnesty Applicant Program Log; Program Requirements; Amnesty Comprehensive Permit Checklist; and Program Brochure.
- d. Determine how best to provide funding support for bringing properties up to code and program administration through fees and possible other resources such as HOME Program funding. While Barnstable has set-aside funding for this purpose, only several applicants have used these funds thus far. Most of the needed improvements have been fairly minor.
- e. Receive approvals to implement the Program.
- f. Implement the Program.

Timeframe: Two-Year Action Plan

The Amnesty Program Implementation Plan could be developed within the next year to be considered by Town Meeting in the spring of 2005.

Resources Required: To adapt Barnstable's Amnesty Program to Sandwich would require the investment of additional resources. Sandwich must determine how to access or provide funds to assist homeowners in making home improvements to bring accessory apartments up to code if necessary. The prospects of utilizing HOME Program funds from the County HOME Consortium for this purpose might be considered as well as referring income-eligible owners

to home improvement programs administered by HAC. Funds will also be required to cover Program administration. Barnstable charges applicants \$160.00 to pay for the administrative costs and \$25.00 for the home inspection. A fee to participating homeowners, perhaps \$25.00 annually could support the costs of monitoring the Program, to be directed to the monitoring agent, most likely the Housing Authority.

4. Amend the Accessory Dwelling Zoning Bylaw

Current Status: The current Accessory Dwelling Zoning Bylaw (Section 4130 of the Zoning By-law), while creating approximately 30 units of rental housing for moderate income households, does not create units for those at 80% or less of median income. The current bylaw also allows accessory units only by special permit on lots of more than 40,000 square feet. These units cannot be larger than 1,000 square feet and must have at least two off-street parking spaces. Additionally, the Sandwich Housing Authority must approve all occupants for compliance with income limits – occupants must have incomes at or below 80% of area median income to qualify as low-income and between 80% and 120% of area median income to qualify as moderate-income. However, in order for the Town to obtain credit for these units as part of its Affordable Housing Inventory, the Housing Authority will also have to execute deed restrictions with the owners and certify the income and rents of the occupants of accessory units on an annual basis.

The proposed amendment tied the approval of the special permit to the execution of a permanent affordable housing restriction in a form acceptable to the Planning Board. It also included a requirement that units be affordable to households with income at or below 70% of area median income. The amendment decreased the required minimum lot size from 40,000 to 30,000 square feet and required that unit sizes be no larger than 600 square feet and contain no more than two bedrooms.

Next Steps: At some point in the future, the Local Housing Committee and Planning Board should revisit this issue and revise its strategy for securing community support for reforming the accessory apartment bylaw that would increase its applicability in creating additional units of affordable housing that would meet local needs and increase the Town's Affordable Housing Inventory.

Timeframe: Five-Year Action Plan

Given the recent denial this spring by Town Meeting of the amendment, the process of revisiting the issue of accessory apartments might not be an immediate priority. However, if there is considerable interest in adopting an Accessory Apartment Amnesty Program, such as the one that has been so effective in Barnstable, it will be important to further refine the existing accessory apartment requirements.

Resources Required: Time devoted by Director of Planning & Development and volunteer Town Boards and Committees to review and revise.

5. Explore Development of a Foreclosure Alert System

Current Status: There are a number of municipalities in the Commonwealth that acquire properties, including land and buildings, for development of affordable

housing by the tax foreclosure process. Through a series of required notices to owners who are delinquent on their taxes and additional processing through the state's Land Court, municipalities can obtain title to these properties and choose to convey them via auction or special redevelopment initiatives. Some localities have prepared Requests for Proposals to select developers who obtain ownership at some nominal or discounted value, improve the properties and lease or sell them to low- or moderate-income households. These projects incorporate the necessary requirements so that units can be integrated into the Town's state-defined Affordable Housing Inventory. For example, the Town of Bourne acquired a number of properties through tax title and conveyed one to Habitat for Humanity and the others to the Bourne Housing Authority for development of new homes for first-time homebuyers, coordinated by the Bourne Housing Partnership.

There is also the potential of working with banks and other mortgage providers to identify properties on which they have had to resort to foreclosure procedures and acquire these at some discounted cost for which the lender can receive credit through the Community Reinvestment Act.

Given the high level of property values and relative affluence in Sandwich, not much foreclosure activity exists, however, it would be useful for the Local Housing Committee or new non-profit to work cooperatively with the Town of Sandwich's Tax Collector and Town Counsel as well as area banks to identify possible properties that involve foreclosures and where possible work to convert them to long-term affordability.

Next Steps: Working with the Local Housing Committee, the Director of Planning & Development should contact the Tax Collector and Town Counsel to discuss possible opportunities to convert tax foreclosed properties to affordable housing. The Town should provide updates to the Committee on any properties that are being processed through tax title; and once the Town acquires such properties, they should work with the Committee on the appropriate mechanism for conveying them to include affordable housing. A Request for Proposals that specifies project requirements – such as ownership vs. rental, type of structure, funding requirements – and selection criteria – including technical capacity, financial capacity, preliminary design, costs – would be issued by the Town. The Town would select a developer, who would then secure any necessary subsidies, undertake the rehab or construction activity, lease or sell the units to income-qualified households and manage the property in the case of rentals. A monitoring agent would be contracted to monitor long-term affordability requirements.

Timeframe: Two-Year Action Plan and ongoing.

Resources Required: It is likely that some staff support will be required to coordinate efforts with Town officials and bank representatives, to prepare the RFP, and monitor progress on project development. It will also be likely that subsidies will be required to write-down the costs of development and construction to make the units affordable to income-qualified households. If the property is conveyed for a nominal amount, at least \$40,000 in additional subsidies will likely be needed to insure project feasibility.

6. Create a Road Taking Program to Develop Landlocked Parcels for Affordable Housing

Current Status: There are a number of Town-owned parcels that are landlocked and cannot be developed without proper access.

Next Steps: The Local Housing Committee should work with the Board of Selectmen and the Director of Planning & Development to explore options to create access to Town-owned landlocked parcels and if necessary resort to takings by eminent domain. Such action shall only be proposed where no undue burden or hardship on the owner(s) of the land proposed for taking and where such road construction does not negatively impact the character of the neighborhood. The Local Housing Committee advises that these road takings occur only if the parcels would be targeted for affordable housing and the units can be integrated into the state-defined Affordable Housing Inventory for Sandwich.

Timeframe: Five-Year Action Plan

Resources Required: The land that would be required to create adequate access to the Town-owned landlocked parcels would have to be donated or acquired by the Town at fair market value.

7. Advocate for Reform of Chapter 40B Requirements

Current Status: There have been numerous debates and state hearings on Chapter 40B reform. During the past year a Task Force appointed by the Governor was asked to make recommendations regarding the reform of Chapter 40B comprehensive permit requirements, and in October 2003, the Joint Committee on Housing and Urban Development came up with another set of recommendations to modify Chapter 40B. More than sixty additional bills have been proposed before the State Legislature to change 40B.

Next Steps: Interested residents and local leaders should continue to advocate through State legislators for legislative action to refine Chapter 40B requirements that will be supportive of Sandwich's interests.

Timetable: Two-Year Action Plan

Resources Required: Donated time of volunteers.

8. Explore Property Tax Exemption for Affordable Year-Round Rental Housing

Current Status: The Housing Needs Assessment included in this Community Affordable Housing Plan indicates a critical need for additional rental housing. Provincetown, recognizing a similar shortage, approved a property tax exemption for affordable year-round rental units. This home rule petition required state approval and was signed by Acting Governor Jane Swift in December 2002. The tax exemption will be made available to owners of housing units that are rented on a year-round basis to low-income households at rents (including utilities) not exceeding HUD limits and that also place appropriate affordability restrictions on the property through the Local Initiatives Program (similar to the process used in Barnstable for its Amnesty Program for accessory apartments).

Next Steps: The Local Housing Committee should explore with local officials the prospects of adapting the Provincetown tax exemption in Sandwich and try to gauge the level of local support. If substantial support for such an action is demonstrated, the Town should take the necessary steps to obtain the required Town Meeting and state approvals and then make the exemption available.

Timetable: Five-Year Action Plan

Resources Required: Staff time of the Director of Planning and Development to work with the Local Housing Committee and other local officials in determining the feasibility of implementing this strategy in Sandwich and in coordinating the necessary approvals towards implementation. There will also be some administrative costs associated with ongoing management to include units in the Town's Affordable Housing Inventory. Additional resources will involve the foregone taxes associated with the exemption.

B. Strategies for Building Local Capacity to Promote Affordable Housing

The actions that are summarized below involve opportunities for Sandwich to increase its capacity to create affordable housing including new resources, enhanced local organizational and agency support and more focused community outreach to better educate the public and real estate professionals on the importance of the issue.

1. Access HOME Program Funding

Current Status: Thus far Sandwich has received some funding from the Barnstable County HOME Consortium for the Osprey Lane and Woodside Village projects that have enhanced their affordability. All towns participating in the Consortium, including Sandwich, are eligible for this very flexible source of subsidy to support a wide variety of housing activities. Subsidies are available for up to \$20,000 per unit but no more than \$100,000 per project.

Next Steps: Through the new initiatives suggested in the actions included under Section V.C. – Housing Production, apply for funding through the HOME Program to subsidize project costs.

Timeframe: Begin Project Development Within Two-Year Plan and Implement Under Five-Year Plan With Ongoing Progress Through the Long-Term

The first project application could be submitted within the next year or two, as soon as the first Town-owned parcel is identified for affordable housing development and project plans and a budget are in place.

Resources Required: Associated project development costs for processing the applications for funding.

2. Obtain Local Approval for the Community Preservation Act (CPA)

Current Status: During the April 5, 2003 Community Meeting to discuss this Community Affordable Housing Plan, there was significant support for the town to approve the development of a Community Preservation Fund pursuant to the state's Community Preservation Act (CPA). The Community Preservation Act establishes the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of 1% to 3% of the property tax, to be matched by the state based on a funding commitment of

approximately \$26 million annually. Once adopted the Act requires at least 10% of the monies raised to be distributed to each of three categories – open space, historic preservation and affordable housing – allowing flexibility in distributing the majority of the money to any of the three uses as determined by the community. Many towns in the Commonwealth are benefiting from this important new resource that could be pivotal to Sandwich preserving its rich history, open space and housing affordability.

Next Steps: The Town should establish a Committee to explore this strategy comprised of members from a variety of Town boards and committees and local organizations, chaired by a member of the Board of Selectmen.

Timeframe: Two-Year Action Plan

If a Committee is designated to review this issue in 2004, it could report back to the Board of Selectmen later in the year in time for the matter to be voted on through a referendum in 2005. A community campaign may need to be organized to inform residents about CPA and its benefits prior to the referendum.

Resources Required: If Sandwich was to pass a referendum to establish a Community Preservation Fund it could expect to raise from \$532,000 to \$875,000 in new funding annually, depending upon the number of exemptions (e.g., first \$100,000, low- and moderate-income households, commercial and industrial property) at the 3% rate. The Town is likely to receive a 100% match by the state bringing the total up to \$1.1 to \$1.75 million at the 3% level, \$530,000 to \$876,000 using a 1.5% surcharge. Assuming that the first \$100,000 worth of assessed value is exempted from the surcharge, the average household with a home worth approximately \$300,000 will pay about \$77.00 more in taxes annually at the 3% rate, half of that at the 1.5% level. If one-third of CPA funds were directed to affordable housing activities, more than \$500,000 could become available annually (at the 3% level), leveraging more than \$2 million in housing activity. The Community Preservation Act Coalition is available to support community efforts related to the CPA and have an excellent web site at www.communitypreservation.org.

3. Make Publicly-Owned Property Available for Affordable Housing

Current Status: The Local Housing Committee has been reviewing properties, both publicly and privately owned, that might be appropriate for at least some affordable housing development (see Section IV.A. and B. for this preliminary information). Most localities that are interested in sponsoring affordable housing focus initially on Town-owned property, conveying the property at some discounted or nominal value to a builder/developer that has been selected by a local Town Committee to undertake the development. Because of the high costs of real estate, this commitment of property represents a significant project subsidy that contributes to project affordability. There is also a state-owned parcel on Harlow Road that has been identified by the Local Housing Committee, as a desirable location for affordable housing that deserves further exploration.

Next Steps: The Local Housing Committee should make a recommendation to the Board of Selectmen on the conveyance of Town-owned parcels for development of affordable housing. In addition to sites that have been discussed as appropriate for affordable housing as listed in Section IV.A. above, the Local

Housing Committee should work with the Board of Selectmen and Open Space Committee to secure appropriate portions of open space parcels for affordable housing as well. Additionally, the Local Housing Committee should pursue discussions with state officials on the prospects of developing some amount of affordable housing on the Harlow Road parcel.

As Town-owned parcels are made available for affordable housing, the Director of Planning and Development should coordinate the drafting of a Request for Proposals (RFP's) that includes the criteria for the development of this parcel, such as rental vs. homeownership, density, design guidelines, level of affordability, community preference criteria, and select a builder/developer to undertake the project under Town supervision. Additional properties can be conveyed through a similar process over at least the next decade. If the Town acquires additional property, such as through tax foreclosure, consideration should be made for conveyance towards affordable housing or some combination of appropriate uses.

Timeframe: Two-Year Action Plan

Identify the first Town-owned property in early 2004 and proceed with development to begin construction no later than 2006 and continue to develop a pipeline of new housing projects on publicly owned donated land.

Resources Required: The value of the donated property represents the Town's commitment to the project, which is typically required in some form by funding agencies. It might also be helpful for the Town to hire a consultant to prepare the RFP, coordinate the contractor selection process, and oversee other project-related activities. The costs of this consultant can be included in the project budget, supported by special predevelopment funding from the Massachusetts Housing Partnership, CEDAC, MHIC or other agency.

4. Establish a Local Non-profit Housing Organization

Current Status: The Sandwich Housing Committee was established in February of 2000 and is in the process of creating a tax-exempt, non-profit organization, called the Sandwich Housing Corporation, Inc., that will have a variety of powers including the ability to raise resources, both public and private, for affordable housing development and acquire and sell property. The organization has formally filed its Articles of Organization with the Secretary of the Commonwealth's Office and received its non-profit status on July 16, 2003. The organization is now preparing its application to the U.S. Internal Revenue Service to obtain 501(c)(3) tax-exempt status.

It is not necessary that this organization serve as a developer of affordable housing, as this is a very specialized activity that requires experienced professional staff and approximately \$100,000 annually to support operating expenses. Instead, Sandwich should create a non-profit housing organization that serves as an effective broker for housing resources, serves as an articulate advocate for affordable housing in town, oversees local fund raising activities for housing such as an annual appeal, coordinates public outreach and educational activities related to affordable housing, and can joint venture with a non-profit or for profit developer on local affordable housing projects.

Next Steps: The Sandwich Housing Corp. needs to secure federal tax-exempt status and work cooperatively with the Town and Local Housing Committee on the implementation of this Community Affordable Housing Plan.

Timeframe: Two-Year Action Plan

The organization is currently operational and should be able to secure its tax-exempt status within the next year.

Resources Required: Resources needed include funding to process the application to the U.S. Internal Revenue Service for tax-exempt 501(c)(3) status. The organization may want to obtain assistance from a local attorney to help prepare and process the application, which may cost some limited amount of money unless the attorney is willing to conduct the work on a pro bono basis. It is typically unnecessary that the non-profit bring on paid staff as many towns have Housing Trusts that operate effectively with a volunteer Board of Directors, consultants for special activities, and some minimal staff support from the Director of Planning & Development's office, Town Administrator's office, or other appropriate department. If the Sandwich Housing Corporation decides sometime in the future to sponsor specific new housing initiatives it will need to apply for the appropriate housing resources and secure the necessary funding for any needed staff support.

5. Establish an Affordable Housing Fund

Current Status: Many communities have established Affordable Housing Funds to collect and manage funds that are dedicated to affordable housing. There is no such Fund currently in place in Sandwich, however, this Affordable Housing Fund could be created and managed by the Town as a "gift account" with specifications of the purpose for use of the funds and dedicated exclusively to promoting affordable housing. The Fund would include resources raised through inclusionary zoning, negotiations with developers of residential or commercial projects over a certain size, public resources and private donations. Examples of private donations include donated land, donations from an annual appeal to community residents, and annual requests for donations from local banks and other institutions. To support the growth of its Affordable Housing Fund, the Town of Provincetown is proposing a 2% real estate transfer fee comparable to the fee levied by the Town of Barnstable.

Next Steps: The Town of Sandwich, with support from the Town Counsel, must establish the Fund, how it will be administered and criteria for its use. The Town might confer with other communities that manage such accounts to determine how best to operate the Fund both fiscally and programmatically.

Timeframe: Two-Year Action Plan

This activity could be completed within the coming year, prior to the end of 2004.

Resources Required: Minimal staff assistance from the Director of Planning and Development and guidance from Town Counsel to establish the Fund, develop operational guidelines, and manage the Fund on an ongoing basis.

6. Fund an Assistant Planner Position

Current Status: If the Town of Sandwich wants to assume a more proactive role in promoting affordable housing and effectively implement the range of actions included in this Community Affordable Housing Plan, it will have to augment its capacity to coordinate these activities. While most of the strategies that are included in this Plan do not by themselves involve substantial amounts of staff time from the Department of Planning and Development, when considered altogether they require a significantly increased time commitment on the Director of Planning and Development who at present is working more than a full-time schedule.

Next Steps: If the Town approves this Plan, it should accept additional costs for overseeing its implementation. Adding an Assistant Planner to the Department of Planning and Development will provide the essential support that the Town will need to insure the efficient and effective coordination of the basic activities required to implement this Community Affordable Housing Plan.

Timeframe: Two-Year Action Plan.

Resources Required: A part-time Assistant Planner will involve approximately \$40,000 with associated costs.

7. Expand Sandwich Housing Authority Activities

Current Status: The Town should explore the possibility of having the Sandwich Housing Authority take over the management of the eight vacant cottages that are more isolated from the recreational uses associated with the Peters Pond property that was acquired by the Town.

Following the departure of the Executive Director of the Sandwich Housing Authority last year, the Executive Director of the Barnstable Housing Authority, who has been overseeing both agencies simultaneously, has managed the agency in an acting capacity. Additional SHA units will provide more administrative funding and create increased demands on the Executive Director, potentially creating the need for a full-time position at some time.

Next Steps: The Local Housing Committee and the Peters Pond Property Committee should work cooperatively to appropriately plan for the redevelopment of the Peters Pond property, encouraging the renovation of at least some of the cottages into affordable rental housing to be owned and managed by the Sandwich Housing Authority.

Timeframe: Two-Year Action Plan.

Resources Required: There will likely be some additional costs incurred by transferring the cottages at Peters Pond to the Housing Authority, mostly for some amount of property improvements and lease-up.

8. Conduct Educational Campaign on Affordable Housing

Current Status: During the Community Meeting on this Affordable Housing Plan, which took place on April 5, 2003, there appeared to be a consensus on the need for significant community outreach on the issue of affordable housing. This outreach would focus on activities to better inform local residents on the benefits

associated with the development of affordable housing and to increase local support, both political and financial, for housing production.

Members of the Local Housing Committee completed a Draft Plan for Community Education in June of 2002. This Plan suggested that it is vital to the well being of the town and its residents to conduct a long-term, well-conceived community education campaign to determine local housing priorities and to convey the importance of affordable housing to the entire community. The Plan suggested that the Local Housing Committee provide outreach on the issue to local officials and committees and then begin formal publicity efforts directed to the entire community, initially through the media. Additional community outreach to various local groups (e.g., churches, PTA's, women's clubs, fraternal organizations, American Legion, realtors, Chamber of Commerce, hospitality organizations, Town Nurse, Council on Aging, etc.) should occur through speakers or information meetings, and a newsletter or some progress report should be prepared for general distribution.

Next Steps: The Draft Plan for Community Education represents a good starting place on which to build a community outreach and education campaign. Moreover, the presentation of this Community Affordable Housing Plan offers an opportunity to showcase the issue, offering information on housing needs and proposed strategies to build community support for affordable housing initiatives. At a minimum, however, it will be necessary for local leaders, including members of the Board of Selectmen, Local Housing Committee, Housing Authority, Sandwich Housing Corp. and other housing-related Town boards and committees to become directly involved in various activities to reach out to community residents on the issue of affordable housing. For example, it may be useful for the Town, through the Board of Selectmen, Local Housing Committee, or Community Affordable Housing Planning Team to sponsor several forums to present the Housing Plan and obtain feedback, opening these meetings to the public to better sensitize community residents and local leaders on the issue. In addition to meetings that focus on this planning effort, other public education opportunities could be coordinated by the Local Housing Committee or Sandwich Housing Corp. such as having representatives from other towns speak in public forums on innovative affordable housing tools, bringing representatives from Citizens Housing and Planning Association (CHAPA) to a community meeting to provide a power point presentation on smart growth planning and development, and organizing panel discussions on particular housing-related topics. These sessions can help build community interest, communication and support. It may also be feasible to have local banks or the Cape Cod Commission support such an effort with financial and/or technical assistance. The Local Housing Committee may want to establish a subcommittee to oversee these education activities, potentially securing the assistance of a consultant to facilitate the campaign.

Timeframe: Two-Year Action Plan and Ongoing

Initial progress on this community outreach can be dovetailed with the presentation of this Community Affordable Housing Plan and then be maintained on an ongoing basis.

Resources Required: Reliance on voluntary support from the Local Housing Committee, Sandwich Housing Corp. and other local leaders with the potential of hiring a consultant to coordinate an organized campaign, the costs of which would relate to the scope of services.

9. Sponsor Trainings for Real Estate Professionals

Current Status: Previous plans have recommended educating real estate professionals (e.g., real estate brokers, builders, developers, bankers, appropriate Town board and committee representatives) on the availability of affordable housing resources to promote a better understanding of development opportunities and attract greater private sector participation in the creation of affordable housing. A recommendation from the April 5th Community Meeting on this Affordable Housing Plan focused on the need for some clearinghouse with information on affordable housing resources. There have also been comments related to the need for supportive information on regulations and opportunities for affordable housing development directed to new Town board or committee members who have significant input into future development such as the Local Housing Committee, Planning Board and Zoning Board of Appeals. Written information should be made available to support this outreach and training.

Next Steps: The Local Housing Committee should make sure that resource materials are made available to all local real estate brokers, mortgage lenders, local developers and builders, and key staff and board/committee members. For example, Citizens Housing and Planning Association (CHAPA) has prepared a very clear and comprehensive guidebook on local affordable housing strategies and resources entitled, Taking the Initiative: A Guidebook on Creating Local Affordable Housing Strategies.¹⁰ This wonderful resource was prepared last year with funding from the Massachusetts Housing Partnership Fund. The Local Housing Committee should acquire copies from CHAPA and distribute the book to key individuals, organizations, and institutions – making sure that copies are also available in the libraries, schools, Selectmen’s Office and the Planning & Development Office. It may also be instructive to sponsor orientation sessions for new Town board and committee members with a component on affordable housing and related regulations. Better informed committee members are more likely to make more judicious decisions and demonstrate greater control in meetings, particularly meetings involving the public over complex or highly charged development proposals.

Timeframe: Two-Year Action Plan/Ongoing

The curriculum for the training sessions and compilation of supportive written materials can be pulled together within several months.

Resources Required: Funds would be required to purchase and distribute CHAPA’s guidebook on affordable housing strategies and resources, noted above. Town staff time will also be needed to coordinate orientation sessions for new Town board and committee members. The book costs \$25.00 and can be purchased directly through CHAPA. If Sandwich requested 100 copies, the costs would be \$2,500.00, not including shipping and handling.

¹⁰ CHAPA (principal author is Bonnie Heudorfer), Taking the Initiative: A Guidebook on Creating Local Affordable Housing Strategies, November 2002.

10. Improve Town Affordable Housing Communications

Current Status: In the past, communication between the Board of Selectmen and Local Housing Committee has not been formalized, which has not provided an adequate channel for updating the Selectmen on housing issues and obtaining important feedback.

Next Steps: In light of the planning process that has been conducted over the past year and based on future expectations of increased Town-approved affordable housing activities, it is advisable that the Town Board of Selectmen meet with the Local Housing Committee at least two times per year to discuss needs and current issues with respect to affordable housing. Additionally, the Local Housing Committee should prepare an annual report to the Board of Selectmen on progress made towards implementing this Community Affordable Housing Plan.

Timeframe: Two-Year Action Plan and ongoing.

Resources Required: Time from the Director of Planning and Development and Assistant Planner to staff these meetings between the Local Housing Committee and Board of Selectmen and prepare the annual report.

11. Use Land Bank Funds to Support Affordable Housing

Current Status: The State Legislature approved the Town of Provincetown's petition, passed on April 7, 2003 Special Town Meeting, to increase from 10% to 35% the share of Land Bank funds that the town could use in support of affordable housing, allowing Provincetown voters more choice on how to spend their Land Bank's 3% property tax surcharge. This increased funding came with the stipulation that the funds be targeted towards the reuse and renovation of existing structures. This approval was consistent with the recognition that redevelopment of existing properties will have the least impact on infrastructure and open space. The Town of Truro passed a similar increase in Land Bank funding for affordable housing.

Next Steps: The Local Housing Committee should obtain copies of Provincetown and Truro's warrant articles for Town Meeting to adapt their petition to a similar one for the Town of Sandwich. The Sandwich petition could be ready for the next Town Meeting in the spring of 2004.

Timeframe: Two-Year Action Plan

Resources Required: Minor staff time of the Director of Planning and Development to prepare the warrant article for consideration at the next Town Meeting.

C. Housing Production Strategies

New housing production, especially affordable housing development, is important to Sandwich not only in order to meet the 10% state standard in the Chapter 40B regulations, projected Planned Production goals, and Executive Order 418 Housing Certification requirements; but to meet pressing local housing needs as well. Based on the build-out analysis that was completed by the Town, more than one-third of all new housing units produced, or approximately 650 of the 2000 additional units projected for

build-out, must be made affordable if the town is to meet the state's 10% affordable housing goal. If this is even possible, it is unlikely that the affordable housing that is produced will be sufficient to meet existing need and demand, much less future needs. With modifications to the existing Zoning Bylaw, greater flexibility can be created that would enable more focused new development in business centers, along transportation and commercial corridors and through mixed uses to avoid environmentally sensitive areas while maintaining the small village and historic character of Sandwich – by promoting “smart growth” objectives. More scattered approaches to new development can be achieved as well through accessory apartments, purchase/rehab development of existing structures, and adaptive re-use. Additionally, it will be important to create mixed-income developments, extending housing opportunities to those households earning up to 150% of area median income (\$84,750 for a family of four) who are also priced out of the current housing market.

Recent changes to Chapter 40B allow communities to reject comprehensive permit applications if the town has a state-approved affordable housing plan in place and is making progress towards its production goals of at least .75% new units produced per year, referred to as a Planned Production Program. These guidelines suggest that Town-sponsored development of approximately 60 units per year, including “friendly Chapter 40B developments and other supported development projects, would enable the Town to reject any new comprehensive permit applications. Recommendations from the Governors' Chapter 40B Task Force and the Joint Committee on Housing and Urban Development of the State Legislature include a reduction of this Planned Production Program requirement to .5% of the existing year-round housing stock per year, reducing the annual production goals to 38 units.

In order to meet the range of local housing needs and maintain better control over affordable housing development, the Town of Sandwich should support the production of at least 60 new units annually, an extremely ambitious task that will take considerable resources. It is essential that the Town plan for this development as strategically as possible to best leverage the investment of its limited resources and guide new development for the benefit of existing residents and future generations.

The following actions rely on the strategies outlined above on planning and regulatory reforms and capacity building to forward actual new production of affordable housing.

1. Increase the Supply of Affordable Rental Housing

Current Status: Sandwich has a substantial need for rental housing based on the data summarized in the above Housing Needs Assessment, and it is making some progress through the Sandwich Housing Authority and Chapter 40B comprehensive permit projects. More housing is required, and the Local Comprehensive Plan stated that the Town should “promote equal opportunity in housing and give special consideration to meeting the housing needs of the most vulnerable segments of the Town's population”.

Next Steps: The Local Housing Committee has identified Town-owned parcels for development as rental housing, should secure the necessary approvals to have the properties conveyed for the purpose of producing affordable housing, and issue a Request for Proposals to solicit interest from developers based on the Town's specific project requirements. The project should be conceived to utilize the Affordable Housing Conditional Density Development Bylaw to allow

for greater density for affordable housing development or application of a “friendly” comprehensive permit process. Additionally, the Local Housing Committee, new tax-exempt nonprofit organization or Sandwich Housing Authority need to pull together the necessary financial, technical and political support for new development that can be accomplished through joint ventures with both for profit and non-profit developers.

In regard to the development of Town-owned properties, the major steps involved can include the following:

- Identify property for development,
- Secure approval from Town Meeting to convey property for development to incorporate at least some affordable housing,
- Explore technical assistance funding from Massachusetts Housing Partnership or other entity to hire a consultant to conduct preliminary feasibility analysis and prepare a Request for Proposals (RFP) for builders/developers,
- Establish project criteria (e.g., design guidelines, community preference criteria, income mix, type of financing, ownership and management),
- Issue Request for Proposals,
- Select builder/developer,
- Finalize plans and budget,
- Secure financing,
- Start construction,
- Market and select tenants,
- Complete construction,
- Occupy property, and
- Manage property including annual income recertification of tenants in affordable units.

Timeframe: Begin Project Development Within Two-Year Plan and Implement Under Five-Year Plan With Ongoing Progress Through the Long-Term

The Town should establish a goal of supporting the creation of at least 60 new affordable housing units per year for the next ten years, including both rental and ownership, through a variety of programs and projects sponsored on publicly-owned and privately-owned properties. New affordable housing projects typically take at least a year for project development and another year for construction and occupancy. Larger, more complex projects, especially projects with significant regulatory barriers to overcome, can take considerably more time and might be built-out in phases.

Resources Required: New affordable unit development will require a number of financial and technical resources. Because the costs of development are typically significantly higher than the rents that low- and moderate-income tenants can afford, multiple layers of subsidies are usually required to fill the gaps, potentially including the following:

- Town-owned property conveyed at a discounted or nominal price. If the acquisition of private property is involved the gap is increased, requiring significantly greater amounts of subsidy. Donated property represents a substantial investment of the community into a Town-approved development.

- Predevelopment funding from the Massachusetts Housing Partnership, CEDAC, MHIC, Life Initiative, etc.
- HOME Program financing of up to \$20,000 per unit or a maximum of \$100,000 per project administered through the Cape Cod Commission for communities in Barnstable County.
- Possible federal financing through Low Income Housing Tax Credits, Section 202, or Historic Tax Credit Program.
- Affordable Housing Program grant funding from the Federal Home Loan Bank Board, applied through participating banks.
- Rental subsidies through the Project Based Section 8 Program or individual Section 8 vouchers.
- Other state funding programs.

Summaries of these housing subsidy programs are included in Attachment 3.

An example of a 6-acre Town-owned site developed under the recently approved Affordable Housing Conditional Density Development Bylaw through Town sponsorship could be configured as follows:

- *Project Configuration:* Rental project at 4 units per acre with 50% of the units affordable to those households earning at or below 80% of area median income. Total of 24 two-bedroom units, at least 12 affordable units, assuming good site conditions.
- *Total Development Costs:* Assuming rough total development costs per unit of \$150,000 and no acquisition costs; project would involve a total budget of approximately \$3.6 million.
- *Total Operating Expenses:* Assume total operating expenses of \$400/unit or \$115,200 annually.
- *Total Operating Income:* Assuming Section 8 rental subsidies for 12 affordable units of \$724 per unit (existing HUD Fair Market Rent for two-bedroom units) and market rate rentals of \$1,200, total project income would equal about \$277,056 annually. This amount could support debt of approximately \$2.15 million after operating expenses.
- *Financing Gap:* Total Development Costs of \$3.6 million minus amount available to support private debt leaves a gap of \$1.45 million or \$60,400 per unit that will be needed in the form of grants and deferred loans to make the project feasible.

If the project were to be developed as mixed-income senior rental housing, an example of projected costs would be as follows:

- *Project Configuration:* Rental project at 8 units per acre with 50% of the units affordable to those households earning at or below 80% of area median income. Total of 48 one-bedroom units, at least 24 affordable units, assuming good site conditions.
- *Total Development Costs:* Assuming rough Total Development Costs per unit of \$120,000 and no acquisition costs, project would involve a total budget of approximately \$5.76 million.
- *Total Operating Expenses:* Assume total operating expenses of \$400/unit per month or \$230,400 annually.

- *Total Operating Income:* Assuming Section 8 rental subsidies for 24 affordable units of \$541 per unit and market rate rentals of \$1,100, total project income would equal about \$472,600. This amount could support debt of \$3,210,500 taking into account operating expenses.
- *Financing Gap:* The financing gap is \$2,549,500 for the project, \$53,155 per unit.

2. Increase Homeownership Opportunities for First-time Homebuyers

Current Status: In addition to rental housing, there remains a need and demand for new homeownership opportunities to income-eligible, first-time homebuyers. Many towns are implementing such initiatives, most donating Town-owned property for development, with an interest in maximizing the number of purchasers with a connection to the locality through current or past residency and employment.

Next Steps: The Local Housing Committee should continue to identify Town-owned parcels for new homes development, secure the necessary local approvals for conveying the properties for new home development, and issue a Request for Proposals to solicit interest from developers based on the Town's specific project requirements. The project should be conceived to utilize the Affordable Housing Conditional Density Development Bylaw to allow for greater density for affordable housing development or application of a "friendly" comprehensive permit process. Additionally, the Local Housing Committee, new tax-exempt non-profit organization or Sandwich Housing Authority need to pull together the necessary financial, technical and political support for new development.

The development process outlined in the above action regarding the creation of rental housing is also, for the most part, applicable to a homeownership project with the exception of focusing on a lottery for selecting purchasers for the affordable units instead of a more typical tenant selection process and without the need for an annual recertification of incomes for tenants in the affordable units. It should also be mentioned that affordable housing rental restrictions are executed and recorded to maintain the affordability of rental projects, however, deed riders are required for the purchasers of the affordable homes to restrict resales and maintain affordability of the new homes well into the future. Deed riders should be executed for as long a period as possible (in perpetuity) and with resale restrictions indexed to changes in HUD's area median income instead of market values.

In addition to the development of suitable Town-owned parcels, the Local Housing Committee should reach out to owners of private parcels that might be appropriate for affordable housing development (some identified under Section IV. B. above) to promote new development in accordance, to the maximum extent possible, with the terms and conditions acceptable by the Town.

Timeframe: Begin Project Development Within Two-Year Plan and Implement Under Five-Year Plan With Ongoing Progress Through the Long-Term

The Town should establish a goal of creating at least 60 new affordable housing units per year, including both rental and ownership and privately and publicly sponsored development, for the next ten years through a variety of programs and

projects. New affordable housing projects typically take at least a year for project development and another year for construction and occupancy. Larger, more complex projects, especially projects with significant regulatory barriers to overcome, can take considerably more time and might be built-out in phases.

Resources Required:

Many of the resources listed in the above action can also be applied to homeownership projects, with the exception of rental subsidies (although the Section 8 Homeownership Program is being implemented currently throughout the state) and low-income housing tax credits. Additional resources that are directed solely to first-time homebuyer projects include the Soft Second Loan Program and MassHousing First-Time Homebuyer Financing. Summaries of these housing subsidy programs are included in Attachment 3.

An outline of costs associated with a typical homeownership project is as follows:

- *Project Configuration:* Homeownership project on a 6-acre site at 4 units per acre with 100% of the units affordable to those households earning at or below 80% of area median income. Total of 24 three-bedroom homes, all affordable.
- *Total Development Costs:* Assuming rough total development costs per unit of \$180,000 and no acquisition costs; project would involve a total budget of approximately \$4.32 million.
- *Projected Purchase Prices:* \$130,000 per home totaling \$3.12 million.
- *Financing Gap:* There is a financing gap of \$1.2 million or \$50,000 per unit.

3. Convert Existing Housing Stock for Affordable Rental and For Sale Housing

Current Status: While housing acquisition prices are high, some of the smaller houses could be purchased, subsidized as affordable and leased or sold to low- and moderate-income households. Larger properties could also be candidates for acquisition and rehab, to be managed as rental property or developed as mixed-income or affordable condominiums.

Next Steps: The Town should work with for profit or non-profit developers to identify existing properties for conversion to affordable housing. This strategy should be explored by the Local Housing Committee to determine program options and feasibility. Rental properties could be managed by the Housing Authority and under the ownership model; the project sponsor would sell homes to income-eligible first-time homebuyers with the necessary resale restrictions. Funding could come from a variety of sources such as the HOME Program through the Barnstable HOME Consortium, Section 8 program (for rental projects) and other resources available from the state. The Town could chose to work with non-profit organizations such as the Housing Assistance Corporation (HAC), Sandwich Housing Corp., Habitat for Humanity, etc. to support such a program. It should be noted that with acquisition costs of more than \$200,000 based on current market prices, gap financing of at least \$80,000 will be required to make each home affordable not including the costs of rehab.

Timeframe: Begin Project Development Within Two-Year Plan and Implement Under Five-Year Plan With Ongoing Progress Through the Long-Term

Initial assessments of feasibility can occur over the next two years, with program implementation to follow and then continued development, as opportunities arise, over the long-term.

Resources Required: Purchase/Rehab Project – Rental

- *Project Configuration:* Purchase of three single-family properties requiring moderate rehabilitation, to be leased to qualifying low- and moderate-income tenants with Section 8 vouchers.
- *Total Development Costs:* Assuming an average acquisition cost of \$200,000 and repairs of \$40,000 Total Development Costs per unit would be \$240,000 and Total Development Costs for the project would be \$720,000.
- *Total Operating Income:* Assuming Section 8 rental subsidies for the three-bedroom units of \$967 per month per house, total project income would equal about \$2,900 per month, \$34,812 annually.
- *Total Operating Expenses:* Assumes operating expenses of \$200 per unit per month, or \$7,200 annually for all three properties.
- *Financing Gap:* Amount left to support debt is \$27,612 annually, that could generate approximately \$366,000 in private financing, leaving \$354,000 to be financed through grants or deferred loans or \$118,000 per unit.
- *Potential Subsidy Funds:* In addition to the Section 8 rental subsidies, project subsidies might include Federal Home Loan Bank Board's Affordable Housing Program, HOME Program from Barnstable County HOME Consortium, state HOME or Housing Stabilization Fund.

Resources Required: Purchase/Rehab Project – Homeownership/Condominiums

- *Project Configuration:* Large house acquired for \$650,000 to be renovated and converted into a mixed-income condominium with four units, two affordable to households earning at or below 80% of area median income and two at market prices but affordable to those earning at or below 150% of area median income.
- *Total Development Costs:* Assuming acquisition of \$650,000 and rehab costs of \$200,000, project would involve a total budget of approximately \$850,000 or \$212,500 per unit.
- *Projected Purchase Prices:* Assume \$100,000 sales prices for the two affordable units and \$200,000 for the two market units, representing a total of approximately \$600,000.
- *Financing Gap:* There is a gap of \$250,000 between the costs of development and the estimated sales.
- *Potential Subsidy Funds:* Project subsidies might include Federal Home Loan Bank Board's Affordable Housing Program, HOME Program from Barnstable County HOME Consortium, state HOME or Housing Stabilization Fund.

4. Promote Adaptive Re-use of Existing Structures

Current Status: The Town should identify underutilized nonresidential properties, including any historic buildings, for conversion to affordable housing through

various options including but not limited to Single Room Occupancy Units (SRO's), congregate and/or special needs housing, rental housing and first-time homeownership. Depending upon the structure, adaptive re-use can be amenable to mixed-use and mixed-income development.

Next Steps: Identify an inventory of such properties that might be purchased, rehabilitated and converted to residential use and then attract interested for profit or non-profit developers to undertake development.

Timeframe: Five-Year Action Plan

The inventory of possible development opportunities could be completed within the next year and outreach to developers experienced in such projects could follow.

Resources Required: The Local Housing Committee should identify possible properties and find partners to develop them. Predevelopment funding from the Massachusetts Housing Partnership, CEDAC, MHIC or other agency should be explored to support project planning.

5. Create Affordable Living Options for Seniors

Current Status: Barnstable County, including the Sandwich, has a significant elderly population including those with disabilities. These residents often confront difficulties aging in place and require alternative living options, some of which might offer supportive services. The only assisted living development in town, Decatur House, is not affordable to most of the aging population, costing in the \$4,000 to \$5,000 range per month for a small suite of rooms. By providing increased options for seniors – through over 55 communities, assisted living, mixed-income or affordable condominiums, etc. – Sandwich would help meet the need of those who are looking to down-size but do not meet the income requirements of projects directed to lower incomes, such as Shawme Heights or Sandwich Housing Authority developments. Additionally, new housing for seniors would add to the tax rolls without putting additional burdens on public schools.

Next Steps: The Local Housing Committee should look at how other communities are addressing this problem and how an assisted living project and/or over 55 project (also known as senior residential developments), with at least some units set-aside as affordable, can be developed to meet local needs.

Timeframe: Five-Year Action Plan

Initial review of assisted living and “over 55” models and appropriate sites could begin within the next couple of years and an initial project developed within five years.

Resources Required: Some donated volunteer time from the members of the Local Housing Committee will likely be needed to identify a possible project and link up with a for profit or non-profit developer to pursue project development. Predevelopment funding might be available from the Massachusetts Housing Partnership, CEDAC, MHIC or other agency should be explored to support project planning activities.

6. Continue to Work with Developers on Fine-tuning Comprehensive Permit Projects

Current Status: The Director of Planning and Development has been an effective conduit for the processing of comprehensive permit applications. In this role she has met with applicants in the early stages of project development to review their proposals, identify potential problems, and in many cases to obtain important revisions that better adapt the proposals to the best interests of the community.

This Community Affordable Housing Plan includes an ambitious Planned Production Program that will require stepped-up efforts to produce affordable housing. It is hoped that the new Affordable Housing Conditional Density Development Bylaw will spur new development of affordable housing based on local criteria, but it is also likely that the comprehensive permit process will continue to be used as a regulatory vehicle for new affordable housing production. The Director of Planning and Development's continued role in guiding these projects towards more acceptable and effective outcomes will be pivotal.

Many developers are likely to approach the town with a request to process the comprehensive permit through a "friendly" 40B process. To do this the Massachusetts Department of Housing and Community Development (DHCD) initiated the Local Initiatives Program (LIP) in 1990 to provide technical assistance to communities that are working with developers to produce affordable housing without state and federal subsidy programs. Subsequently the Federal Home Loan Bank Board and MassHousing offered financing options, the New England Fund and Housing Starts respectively, to promote greater coordination and cooperation between developers and municipalities under the state's Chapter 40B comprehensive permit law in communities with less than 10% of its housing stock reserved for low- and moderate-income households (incomes at or below 80% of area median income) and with restrictions insuring long-term affordability. To the greatest extent possible, these "friendly" solutions should be encouraged, coordinated by the Office of Planning and Development.

Next Steps: Continue to make this a key responsibility of the Director of Planning and Development, providing her with necessary staff support to make sure this and other planning and development job requirements receive adequate attention. The Local Housing Committee should provide additional support, exploring opportunities to increase affordable units through the "friendly" 40B alternatives to help negotiate projects with developers to realize new development that will benefit the town with more appropriate scale, better design, improved amenities, and with sensitivity to the natural landscape and environment.

Timeframe: Two-Year Action Plan and ongoing.

Resources Required: Considerable staff time of Director of Planning and Development and support from a new position of Assistant Planner.

D. Housing Preservation Strategies

Housing production is critical, but the Town also needs to be concerned that it does not lose units already counted as part of its Affordable Housing Inventory and provides resources to improve the existing housing supply.

1. Provide Low-income Existing Homeowners with Assistance

Current Status: The HUD Consolidated Plan indicated that there are significant numbers of existing homeowners who lack the resources to make critical home improvements and invest in energy-saving repairs to reduce costs. The Council on Aging also indicated that they encounter elders who need assistance in addressing deferred home maintenance needs. It is not unusual for elderly homeowners on fixed incomes to have such needs, stretching their limited funds to pay taxes, utilities and remain in their homes. The Plan states “the area’s low wages, increases in taxes and sizable elderly population all contribute to this serious housing problem for existing owners”.

Next Steps: Through the training and community educational campaign recommended in Section V.B.8 and 9., important information on housing improvement resources could be disseminated to real estate professionals, local leaders, community service workers and community residents.

Timeframe: Two-Year Action Plan

The training sessions and supportive written materials can be prepared within the next two years and referrals made to existing housing improvement resources on an ongoing basis.

Resources Required: The Council on Aging manages a Handy Man Repair Program that coordinates volunteers to conduct minor repair work. The Council indicates that on occasion they receive requests from elders with more significant repair needs (e.g., furnace, windows, roofs) that require the intervention of professionals. Under such circumstances, seniors are referred to other programs including those sponsored by the Housing Assistance Corporation (HAC), Farmers Home, and MassHousing programs for example.

2. Reduce the Cost Burden and Diminish the Threat of Homelessness for Low-income Tenants

Current Status: The HUD Consolidated Plan also highlighted the risk of homelessness on the Cape attributed to several factors including the high demand and relative lack of affordable housing, the significant number of low-income residents with excessive to severe cost burdens, seasonal rentals and economy, and other special needs issues. The Plan suggests a range of resources available on the Cape to increase affordable rental housing, provide rental subsidies, offer emergency assistance, provide help with housing searches, offer transitional housing, and meet other special needs.

Next Steps: Through the training and educational campaign recommended in Section V.B.8 and 9., important information on resources to prevent and respond to homelessness could be disseminated to real estate professionals, local leaders, community service workers and community residents.

Timeframe: Two-Year Action Plan

The curriculum for the training sessions and supportive written materials can be developed within the next year and the sessions can be organized over any projected timetable based on available resources and interest.

Resources Required: Reliance on voluntary support from Local Housing Committee with the potential of hiring a consultant to coordinate an organized outreach campaign, the costs of which would relate to the scope of services.

3. Monitor and Insure that Units Included in the Town's Affordable Housing Inventory Remain Affordable

Current Status: Based on how housing was financed and how long the affordability requirements were established, the affordable status of some current housing units are likely to be in jeopardy in the future. The current inventory of those "expiring use projects" that are in jeopardy of losing affordability restrictions within the near future is maintained on CHAPA's web site.

Next Steps: It is important to insure that all affordable housing units that are produced remain a part of the Town's Affordable Housing Inventory, in perpetuity if possible. The Director of Planning & Development should review all units that are currently included in the inventory to determine what units are vulnerable to being returned to the private market and when this might occur. Even if expiring use restrictions allow an owner to convert a property to market rentals, based on a recent court case, the Zoning Board of Appeals of Wellesley vs., Ardmore Apartments, the Town may still have some leverage to enforce affordability given the applicability of certain regulatory or land use controls (e.g., comprehensive permit, 121A tax agreement, ZBA variance). It will be important to monitor these projects and intervene if necessary to maintain affordability well into the future. New affordable units that come into the Inventory should be designated as affordable for as long a period of time as possible and, in the case of homeownership, with resale restrictions indexed to changes in HUD's area median income as opposed to market value.

Timeframe: Longer-Term Plan

The existing Affordable Housing Inventory should be reviewed based on the projected term of affordability and closely monitored on an ongoing basis.

Resources Required: The state's Community Economic Development Assistance Corporation (CEDAC) maintains an inventory of expiring use projects, updating it on a regular basis. This Inventory of projects most in jeopardy of losing affordability in the shorter terms is available on CHAPA's web site, www.chapa.org. If some intervention is needed to maintain a project as affordable, model strategies and financial resources are also available at CHAPA's web site.

VII. Description of Use Restrictions

As has been indicated in various sections of this Housing Plan, the Town of Sandwich is committed to maintaining its Affordable Housing Inventory for as long a period as possible. Deed riders or affordable rental restrictions should assure continued affordability in perpetuity to the greatest extent possible. The resale prices included in homeownership projects should be indexed to HUD's area median income as opposed to market value to better assure this affordability over the long-term. The monitoring of the resale restrictions and annual recertification in the case of rental agreements should be the responsibility of the project sponsor who must report annually to the Sandwich Housing Authority, Housing Assistance Corp., Cape Cod Commission or other housing organization approved by the Town.

ATTACHMENT 1
Affordable Housing Inventory

ATTACHMENT 2

Map of Existing Affordable Housing Inventory and Sites Potentially Appropriate for Affordable Housing

ATTACHMENT 3

Summaries of Housing Subsidy Programs

SUMMARY OF HOUSING SUBSIDY PROGRAMS

Those programs that may be most appropriate for development activity in Sandwich, for both homeownership and rental, and the process required to secure funds are described below.

HOMEOWNERSHIP PROGRAMS

The Massachusetts Housing Partnership Fund administers the *Soft Second Loan Program* to help first-time homebuyers purchase a home and all communities in Barnstable County have been approved to participate. The Program began in 1991 to help families earning within 80% of median income qualify for a mortgage through a graduated-payment second mortgage and down payment assistance. Participating lenders originate the mortgages which are actually split in two with a conventional first mortgage based on 75% of the purchase price, the soft second mortgage for 20% of the purchase price (or \$20,000 if greater) and a requirement from the buyer of a 5% down payment of which only 2% needs to be their own money. Borrowers do not need to purchase private mortgage insurance that would typically be required with such a low down payment, thus saving the buyer significant sums on a monthly basis. Program participants pay interest only on the soft second mortgage for the first ten years and some eligible buyers may qualify for an interest subsidy on the second mortgage as well. Additionally, some participating lenders and communities offer grants to support closing costs and down payments and slightly reduced interest rates on the first mortgage. Local governments and community-based organizations are involved in the program through homebuyer counseling and training programs.

The State has its own pool of *HOME funds* to support a wide range of housing activities through competitive funding rounds. The maximum award for the *HOME Project-Based Homebuyer Assistance Program* is \$750,000 per project and the maximum subsidy amount for those localities receiving HOME funds directly from HUD would be \$50,000 per unit. State HOME funding cannot be combined with another state subsidy source with the exception of the Soft Second Program, but must be matched by some combination of local dollars, either through HOME funding through the consortium, Housing Trust fund commitments, Community Preservation funds, private donations, and/or Federal Home Loan Bank Board programs. Although program guidelines recommend total development costs per unit do not exceed \$150,000, DHCD acknowledges that this may be a deal-breaker for the more high cost communities and there is some limited flexibility in this figure. Sandwich is also eligible for HOME Program assistance from the Barnstable County HOME Consortium administered by the Cape Cod Commission. Up to \$20,000 per unit or a maximum of \$100,000 per project is available.

The *HOME Purchaser Assistance Program* is also available to communities in Barnstable County, administered by the Housing Assistance Corporation (HAC), to help first-time homebuyers with down payments and closing costs. The income requirements are the same as for the Soft Second Program; the purchase price levels are based on the FHA mortgage limits. Deferred loans for the down payment and closing costs of up to 5% of the purchase price to a maximum of \$10,000 can be made at no interest and with a five-year term, to be forgiven after five years. Another loan can be made through the program to cover de-leading in addition to the down payment and closing costs, but with a ten-year term instead, with at least 2.5% of the purchase price covering the down payment.

Another funding opportunity is the *Massachusetts Small Cities Program* that has a set-aside of Community Development Block Grant (CDBG) funds to support a range of eligible activities including housing development. However, at least 70% of the money must provide benefits to households earning within 80% of median income. This money is for those non-entitlement localities that do not receive CDBG funds directly from HUD.

Funds are awarded on a competitive basis, through Notices of Funding Availability with specific due dates, or through applications reviewed on a rolling basis throughout the year, depending on the specific program. This funding supports a variety of specific programs. The program that potentially has the greatest applicability in Sandwich is the *Housing Development Support Program (HDSP or Heads Up)* that provides gap financing for small affordable housing projects, including both new construction and rehabilitation. Eligible activities include development, rehabilitation, homeownership, acquisition; site preparation and infrastructure work up to a maximum of \$400,000 per project, excluding administrative costs. There are no per unit maximums or recommended maximum total development costs. Funding is distributed through Notices of Funding Availability that occur once or twice a year. HDSP Program funding is extremely competitive, and projects that receive funding through the state HOME or Housing Stabilization Fund Programs are excluded from applying to HDSP. At least 51% of the program funding must benefit those residents earning within 80% of median income.

There are other programs funded through the *Community Development Block Grant Small Cities Program* for both homeownership and rental projects. A number of the special initiatives are directed to communities with high “statistical community-wide needs”, however, the *Community Development Fund II* is targeted to communities with lower needs scores that have not received CDBG funds in recent years. This may be the best source of CDBG funding for Sandwich besides HDSP described above. The maximum available per project is \$600,000, and funding is awarded competitively through an annual Notice of Funding Availability. DHCD also has a *Reserve Fund* for CDBG-eligible projects that did not receive funding from other CDBG funded programs or for innovative projects.

Another potential source of funding for both homeownership and rental projects is the *Federal Home Loan Bank Board’s Affordable Housing Program (AHP)* that provides subsidies to projects targeted to households earning between 50% and 80% of median income, with up to \$250,000 available per project. This funding is directed to filling existing financial gaps in low- and moderate-income affordable housing projects, and typically the amount of subsidy is \$5,000 to \$10,000 per unit. There are two competitive funding rounds per year for this program.

The FHLBB also administers two loan programs directed to higher income ranges, the *Community Development Advance Program (CDA)* for households earning up to 115% of median income with interest rates set daily based on FHLBB’s cost of funds, and the *New England Fund (NEF)* that assists projects with households earning up to 140% of median income with rates based on ten basis points above the CDA rate. For all Federal Home Loan Bank programs, participating lenders apply directly for project funding and have twelve months to draw down the money without written requests for extensions. These funds are committed year round on a rolling basis, with applications coming in from participating lending institutions as projects are ready.

Financing is also available through special programs operated by the *Federal National Mortgage Association (Fannie Mae)* and the *Federal Home Loan Mortgage Corporation (Freddie Mac)*, both established by Congress as quasi-public institutions that provide secondary markets for affordable housing financing.

RENTAL PROGRAMS

The State Department of Housing and Community Development offers a number of primarily rental programs including the Housing Stabilization Fund (HSF), and HOME Investment Partnerships Program, and Housing Innovations Fund (HIF) to be used solely as a subsidy source or in combination with Low Income Housing Tax Credits.

The State's *Housing Stabilization Fund (HSF)* was established in 1993 through a Housing Bond bill to support housing rehabilitation through a variety of housing activities including homeownership (most of this funding has been allocated for the MHP Soft Second Program) and rental project development. The State subsequently issued other bond bills to provide more funding. The HSF Rehabilitation Initiative is targeted to households with incomes within 80% of median income, with resale or subsequent tenancy for households within 100% of median income. The funds can be used for grants or loans through state and local agencies, housing authorities and community development corporations with the ability to subcontract to other entities. The funds have been used to match local HOME program funding, to fund demolition, and to support the acquisition and rehabilitation of affordable housing. In addition to a program directed to the rehabilitation of abandoned, distressed or foreclosed properties, the HSF provides funds to municipalities for local revitalization programs directed to the creation or preservation of rental projects. As with HOME, the maximum amount available per project is \$750,000 and the maximum per unit is \$50,000 for those that receive HOME funds directly from HUD or through a consortium, such as Sandwich. Communities can apply for HSF funding biannually through Notices of Funding Availability.

The state's *HOME Rental Program* is targeted to the acquisition and rehabilitation of multi-family distressed properties or new construction of multi-family rental housing from five to fifty units. Once again, the maximum subsidy per project is \$750,000 and the maximum subsidy per unit in localities that receive HOME or CDBG funds directly from HUD is \$50,000. Communities should also include a commitment of local funds in the project to be competitive for funding. Subsidies are in the form of deferred loans at 0% interest for 30 years. State HOME funding cannot be combined with another state subsidy program with several exceptions including the Low Income Housing Tax Credits, HIF and the Soft Second Program. All units receiving HOME assistance under this program must be occupied by households earning no more than 60% of median income and affordable to households earning 65% of median income. At least 20% of the HOME units must be affordable to households earning no more than 50% of area median income. Applications will be received and reviewed by DHCD on an as-ready basis through the agency's One-Stop Affordable Housing Finance Application. Sandwich is also eligible for HOME Program assistance from the Barnstable County HOME Consortium administered by the Cape Cod Commission. Up to \$20,000 per unit or a maximum of \$100,000 per project is available.

The State also administers the *Housing Innovations Fund (HIF)* that was created by a 1987 bond bill and expanded under two subsequent bond bills to provide grants to nonprofit organizations for up to 30% of the costs associated with developing alternative forms of housing including limited equity coops, mutual housing, single-room occupancy housing, special needs housing, transitional housing, domestic violence shelters and congregate housing. At least half of the units must be reserved for households earning less than 80% of median income. HIF can also be used with other state subsidy programs including HOME, HSF and Low Income Housing Tax Credits. The Community Economic Development Assistance Corporation (CEDAC) administers this program.

There is a great deal of demand for this program and funding is extremely competitive. Applicants are required to complete the One-Stop Application that can be obtained from the Massachusetts Housing Investment Corporation, DHCD or CEDAC and submit the completed application to DHCD for review. Following a DHCD Conditional Commitment, the applicant has six months to submit a Request for Final Review and Commitment that has more final information as well as zoning and environmental clearances. At this point the applicant must include a development schedule that demonstrates that the construction or permanent financing will close within 120 days of DHCD issuing a Firm Financing Commitment.

The State also provides several financing programs for rental projects through the Massachusetts Housing Partnership Fund. The *Permanent Rental Financing Program* provides long-term, fixed-rate permanent financing for rental projects of five or more units from \$100,000 loans to amounts of \$2 million. At least 20% of the units must be affordable to households earning less than 50% of median income, or at least 40% of the units must be affordable to households earning less than 60% of median income or at least 50% of the units must be affordable to households earning less than 80% of median income. MHP also administers the *Permanent Plus Program* targeted to multi-family housing or SRO properties with five or more units where at least 20% of the units are affordable to households earning less than 50% of median income. The program combines MHP's permanent financing with a 0% deferred loan of up to \$40,000 per affordable unit up to a maximum of \$500,000 per project. No other subsidy funds are allowed in this program. The *Bridge Financing Program* offers bridge loans of up to eight years ranging from \$250,000 to \$5 million to projects involving Low Income Housing Tax Credits. The *Technical Assistance and Predevelopment Assistance Program* offers grants for preliminary feasibility analyses of projects and predevelopment costs incurred prior to construction. MHP will commit up to \$3,000 of technical assistance from its list of consultants even prior to site control with funding in the form of deferred loans to be repaid only if the project goes forward. Loans of more than \$3,000 are also offered, but site control is required and all loans must be repaid.

The *Massachusetts Housing Investment Corporation (MHIC)* is a private, nonprofit corporation that since 1991 has provided financing for affordable housing developments and equity for projects that involve the federal Low Income Housing Tax Credit Program. MHIC raises money from area banks to fund its loan pool and invest in the tax credits. In order to qualify for MHIC financing, the project must include a significant number of affordable units, such that 20% to 25% of the units are affordable to households earning within 80% of median income. Interest rates are typically one point over prime and there is a 1% commitment fee. MHIC loans range from \$250,000 to several million, with a minimum project size of six units. Financing can be used for both rental and homeownership projects, for rehab and new construction, also covering acquisition costs with quick turn-around times for applications of less than a month (an appraisal is required). The MHIC and MHP work closely together to coordinate MHIC's construction financing with MHP's permanent take-out through the OneSource Program, making their forms compatible and utilizing the same attorneys to expedite and reduce costs associated with obtaining financing.

Another important low-income housing resource is the *Section 8 Program* that provides rental assistance to help low- and moderate-income households pay their rent. In addition to the federal Section 8 Program, the State also provides rental subsidies through the *Massachusetts Rental Voucher Program* as well as three smaller programs

directed to those with special needs. These rental subsidy programs are administered by the State, through local housing authorities or regional nonprofit organizations, such as the Housing Assistance Corporation (HAC). Rent subsidies take two basic forms -- either granted directly to tenants or committed to specific projects. Most programs require households to pay a minimum percentage of their adjusted income (typically 30%) for housing (rent and utilities) with the government paying the difference between the household's contribution and the actual rent. (NOTE: Because of funding constraints both MRVP and Section 8 vouchers are currently not being issued, and it is unclear how long this situation will continue.)

The *Low Income Housing Tax Credit Program* was created in 1986 by the Federal Government to offer tax credits to investors in housing development projects that include some low-income units. The tax credit program is often the centerpiece program in any affordable rental project because it brings in valuable equity funds. Tax credits are either for 4% or 9% of the development or rehab costs for each affordable unit for a ten-year period. The 4% credits have a present value of 30% of the development costs, except for the costs of land, and the 9% credit have a present value equal to 70% of the costs of developing the affordable units, with the exception of land. Both the 4% and 9% credits can be sold to investors for close to their present values.

The Federal Government limits the 9% credits and consequently there is some competition for them, nevertheless, most tax credit projects in Massachusetts are financed through the 9% credit. Private investors, such as banks or corporations, purchase the tax credits for about 80 cents on the dollar, and their money serves as equity in a project, reducing the amount of the debt service and consequently the rents. The program mandates that at least 20% of the units must be made affordable to households earning within 50% of median income or 40% of the units must be affordable to households earning up to 60% of median income. Those projects that receive the 9% tax credits must produce much higher percentages of affordable units.

The Massachusetts Legislature enacted a comparable *state tax credit program*. The Program is modeled after the federal tax credit program and will provide \$4 million in funding for each of five years to support approximately 3,500 units in projects placed in service after January 1, 2001.

The state added another housing resource, the *Affordable Housing Trust Fund Program*, to support the construction or renovation of affordable housing, to preserve the affordability of subsidized expiring use housing, and to renovate public housing. Funding was provided in the form of a "gap filler", providing another subsidy to make the project feasible. In recognition of the affordable housing crisis, the Legislature made a commitment to fund the Trust Fund for five years at a rate of \$20 million annually. The Fund had been sited within DHCD but managed by the MassHousing with guidance from a 15-member advisory committee. While the fund had the flexibility of serving households with incomes up to 110%, preferences, funding was primarily directed to projects involving the production of new affordable units for families earning below 80% of median income. The program also included a \$2 million set-aside for projects that served homeless households or those earning below 30% of median income. Despite the success of the program, the program did not receive this past year's funding allocation, and it is anticipated that the program will be incorporated into the state's capital budget.

OTHER PROGRAMS

There are other programs that serve individual owners, whether owner-occupants or landlords, to make home improvements, de-lead or support first-time ownership. For example, MassHousing administers a Home Improvement Loan Program and Lead Paint Removal Program. However, the agency requires that the programs be serviced by an approved local rehab agency.

The *MHFA Home Improvement Loan Program* (HILP) is targeted to one- to four-unit, owner-occupied properties with a minimum loan amount of \$2,500 up to a maximum of \$15,000. Loan terms range from six months to 15 years based on the amount of the loan and the borrower's income and debt. Borrowers pay the local rehab agency a fee of 4% of the loan amount, ranging from \$200 to a maximum of \$600. Borrowers also pay MHFA a processing fee of \$150, due at closing, and should be prepared to pay other fees and charges not to exceed \$300. Income limits are \$65,500 for households of one or two persons and \$75,300 for families of three or more persons.

The *MHFA Get the Lead Out Program* offers 100% financing for lead paint removal on excellent terms that are based on ownership status and type of property. An owner-occupied, single-family home may be eligible to receive a 0% deferred payment loan up to \$20,000 that is due when the house is sold, transferred or refinanced. An owner-occupant of a two-family house could receive up to \$25,000 to conduct the de-leading work. Investor-owners can also participate in the program but receive a 3% fully amortizing loan to cover costs.

The *Cape Affordable Housing Loan Consortium* is a group of local banks that provide low interest loans for the purpose of providing affordable housing. The Consortium has sponsored projects in many communities throughout the Cape and is an important resource.

ATTACHMENT 4

Summary of Planned Production Program

ATTACHMENT 5

Summary of Housing Action Plan